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# ***Civic-Recreational-Industrial Authority***



Regular Meeting Agenda  
April 13, 2022

9:00 a.m.

Chairman Eric Benavidez  
Vice Chairman Ronald Whittemore  
Board Member Sean Lee  
Board Member Bob Lindsey  
Board Member Ronald McPeak

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Location: City Council Chamber, 15651 Mayor Dave Way, City of Industry, California

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**Addressing the Authority:**

**NOTICE OF TELEPHONIC MEETING:**

- ***Pursuant to AB 361 (Government Code Section 54953(e)), this meeting will be held in person and telephonically. Members of the public can attend the hybrid meeting and offer public comments either in person or telephonically, by calling the following conference call number: 657-204-3264, then entering the following Conference ID: 569 718 471#. Pursuant to the Governor's Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the Civic-Recreational-Industrial Authority meeting (including assisted listening devices), please contact the City Clerk's Office at (626) 333-2211 by 5:00 p.m. on Monday, April 11, 2022, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.***

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- ***Agenda Items:*** Members of the public may address the Civic-Recreational-Industrial Authority on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda.
  - ***Public Comments (Non-Agenda Items Only):*** Anyone wishing to address the Civic-Recreational-Industry Authority on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Authority from taking action on a specific item unless it appears on the posted Agenda.

**Agendas and other writings:**

*In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday, 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 pm. City Hall doors are closed between 12:00 p.m. to 1:00 p.m. each day. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*

1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments

5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the Civic-Recreational-Industrial Authority (CRIA) Board request specific items be removed from the Consent Calendar for separate action.

- 5.1 Consideration of the Register of Demands submitted by the Finance Department for April 13, 2022

*RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate personnel to pay the bills.*

- 5.2 Consideration of the Register of Demands submitted by CNC Equestrian Management Services for the Industry Hills Expo Center for February 2022

*RECOMMENDED ACTION: Receive and file.*

- 5.3 Consideration of the minutes of the November 10, 2021 special meeting

*RECOMMENDED ACTION: Approve as submitted.*

- 5.4 Consideration of the Annual Audited Basic Financial Statements for the Year Ending June 30, 2021, with Independent Auditors' Report

*RECOMMENDED ACTION: Approve the Annual Audited Financial Statements for FY 20-21.*

- 5.5 Consideration of Independent Auditor's Report on Internal Control over Financial Reporting, and on Compliance and other Matters for the Year Ending June 30, 2021

*RECOMMENDED ACTION: Approve the Independent Auditor's Report for FY 20-21*

- 5.6 Consideration of Auditor’s Communications with the Chair and Board Members for the Year Ending June 30, 2021

*RECOMMENDED ACTION:* *Approve the Auditor’s Communication Report for FY 20-21.*

- 5.7 Consideration of Resolution No. CRIA 2022-05 – A RESOLUTION OF THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY (“CRIA”) CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

*RECOMMENDED ACTION:* *Adopt Resolution No. CRIA 2022-05, continuing the authorization of remote teleconference meetings pursuant to AB 361.*

6. **BOARD MATTERS**

- 6.1 Consideration of Amendment No. 1 to the Professional Services Agreement with Veneklasen Associates, Inc., for professional design services for the Grand Arena Audio Visual Upgrades project, revising the scope of services, extending the term through December 31, 2023, increasing compensation by \$183,304.00, and revising the address for CRIA (MP 01-34 #33)

*RECOMMENDED ACTION:* *Approve the Amendment*

- 6.2 Presentation and discussion regarding the Civic-Recreational-Industrial Authority’s Financial Report for January 31, 2022

*RECOMMENDED ACTION:* *Receive and file the report.*

- 6.3 Update on the Expo Center

*RECOMMENDED ACTION:* *Receive and file.*

7. **EXECUTIVE DIRECTOR COMMUNICATIONS**

8. **AB 1234 REPORTS**

9. **BOARD MEMBER COMMUNICATIONS**

10. Adjournment. Next regular meeting: Wednesday, May 11, 2022, at 9:00 a.m.

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.1

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY**  
AUTHORIZATION FOR PAYMENT OF BILLS  
Board Meeting April 13, 2022

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
121	CRIA - CAPITAL IMPROVEMENT	474,063.19
360	INDUSTRY HILLS EXPO OPERATING ACCOUNT	213,050.38
TOTAL ALL FUNDS		687,113.57

<u>BANK</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
WFCK	WELLS FARGO CHECKING	687,113.57

**APPROVED PER CITY MANAGER**

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**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**April 13, 2022**

Check	Date	Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>			
<b>11376</b>	03/16/2022	03/31/2022	<b>INDUSTRY PUBLIC UTILITIES</b>
	Invoice	Date	Description
			Amount
	2022-00001627	03/01/2022	12/17-02/17/22 SVC - MAIN GUARD SHACK
	2022-00001628	03/01/2022	12/17-02/17/22 SVC - GRAND ARENA - E SIDE OF PARKI
	2022-00001629	03/01/2022	12/17-02/17/22 SVC - GRAND ARENA - S SIDE OF PARKI
	2022-00001630	03/01/2022	12/17-02/17/22 SVC - NEAR CAFE @ GRAND EXPO
	2022-00001631	03/01/2022	12/17-02/17/22 SVC - PATIO CAFE
	2022-00001632	03/01/2022	12/17-02/17/22 SVC - GRAND ARENA CAFE
	2022-00001633	03/01/2022	12/17-02/17/22 SVC - SNACK BAR @ GRAND ARENA
	2022-00001634	03/01/2022	12/17-02/17/22 SVC - BUILDING 4-E SIDE PLANTER ARE
	2022-00001635	03/01/2022	12/17-02/17/22 SVC - WATER TOWER @ PAVILION PARI
	2022-00001636	03/01/2022	12/17-02/17/22 SVC - ARENA NEAR BUNKHOUSE
	2022-00001637	03/01/2022	12/17-02/17/22 SVC - EXPO OFFICE
	2022-00001638	03/01/2022	12/17-02/17/22 SVC - BARN D
	2022-00001639	03/01/2022	12/17-02/17/22 SVC - DC @ BARN D
	2022-00001640	03/01/2022	12/17-02/17/22 SVC - BARN E
	2022-00001641	03/01/2022	12/17-02/17/22 SVC - DC @ BARN E
	2022-00001642	03/01/2022	12/17-02/17/22 SVC - BATHROOM @ BARN E
	2022-00001643	03/01/2022	12/17-02/17/22 SVC - HORSE TRAINING AREA BEHIND B
	2022-00001644	03/01/2022	12/17-02/17/22 SVC - 1ST GUARD SHACK
	2022-00001645	03/01/2022	12/17-02/17/22 SVC - S SIDE OF BLDG BEHIND GATED A
			\$2,811.90
<b>11377</b>	03/24/2022	03/31/2022	<b>IDS GROUP, INC.</b>
	Invoice	Date	Description
			Amount
	19X002.12-6	01/31/2022	IT AV SECURITY - AVALON ROOM EXPO CENTER
	19X002.12-2-R	07/30/2021	IT AV SECURITY - AVALON ROOM EXPO CENTER
			\$3,501.46

**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**April 13, 2022**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
	19X002.12-1-R	06/30/2021	IT AV SECURITY - AVALON ROOM EXPO CENTER	\$990.00
<b>11378</b>	03/29/2022		<b>CRIA-EQUESTRIAN CENTER</b>	<b>\$75,000.00</b>
	Invoice	Date	Description	Amount
	FEB-22	03/29/2022	REIMBURSEMENT FOR FEBRUARY 2022 OPERATING C	\$75,000.00
<b>11379</b>	04/13/2022		<b>ABSOLUTE INTERNATIONAL SECURIT</b>	<b>\$42,322.70</b>
	Invoice	Date	Description	Amount
	2020104816	03/31/2022	MARCH 2022 SECURITY SVC - EXPO CENTER	\$42,322.70
<b>11380</b>	04/13/2022		<b>C.S. LEGACY CONSTRUCTION, INC.</b>	<b>\$108,232.10</b>
	Invoice	Date	Description	Amount
	#1-EXPO-2132	04/01/2022	GAZEBO AT EXPO CENTER PAVILION BUILDING - EXPC	\$113,928.55
<b>11381</b>	04/13/2022		<b>CITY OF INDUSTRY</b>	<b>\$930.51</b>
	Invoice	Date	Description	Amount
	2022-00000047	02/28/2022	FEB 2022 FUEL COSTS	\$930.51
<b>11382</b>	04/13/2022		<b>CLIFTONLARSONALLEN LLP</b>	<b>\$5,830.00</b>
	Invoice	Date	Description	Amount
	3215044	03/31/2022	CRIA - AUDIT FINANCIALS FY 20/21	\$5,830.00
<b>11383</b>	04/13/2022		<b>CNC ENGINEERING</b>	<b>\$111,187.50</b>
	Invoice	Date	Description	Amount
	504933	03/31/2022	AVALON ROOM IMPROVEMENTS	\$29,197.50
	504934	03/31/2022	NEW BANQUET FACILITY AT THE EXPO CENTER	\$1,700.00

**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**April 13, 2022**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
504935	03/31/2022		NEW BANQUET FACILITY AT THE EXPO CENTER	\$1,742.50
504936	03/31/2022		PAVILION UPGRADES - EXPO CENTER	\$307.50
504937	03/31/2022		EXPO CENTER ALARM SYSTEM UPGRADES	\$527.50
504938	03/31/2022		EXPO CENTER AUDIO/VIDEO UPGRADES	\$922.50
504939	03/31/2022		EXPO CENTER ELECTRICAL LOADING MASTER PLAN	\$2,040.00
504940	03/31/2022		EXPO CENTER ROADS REHABILITATION	\$6,102.50
504941	03/31/2022		GAZEBO AT EXPO CENTER PAVILION BUILDING	\$39,682.50
504942	03/31/2022		EXPO CENTER IT INFRASTRUCTURE UPGRADES	\$205.00
504944	03/31/2022		EXPO CENTER - STANDARDS OF FACILITIES MAINTEN.	\$6,560.00
503803	09/30/2021		GAZEBO AT EXPO CENTER PAVILION BUILDING	\$105.00
504824	02/24/2022		NEW BANQUET FACILITY AT THE EXPO CENTER	\$1,000.00
504943	03/31/2022		MISC SITE & DRAINAGE IMPROVEMENT AT AVALON BL	\$21,095.00
<b>11384</b>	04/13/2022		<b>CRIA-PAYROLL ACCOUNT</b>	<b>\$3,500.00</b>
Invoice	Date	Description	Amount	
MAR-22	03/08/2022	REPLENISH PAYROLL ACCOUNT FOR MARCH 2022	\$3,500.00	
<b>11385</b>	04/13/2022		<b>ELEVATE PUBLIC AFFAIRS, LLC</b>	<b>\$10,000.00</b>
Invoice	Date	Description	Amount	
2629	03/22/2022	PROFESSIONAL SVC - FEB 2022	\$5,000.00	
2595	02/28/2022	PROFESSIONAL SVC - JAN 2022	\$5,000.00	
<b>11386</b>	04/13/2022		<b>FRAZER, LLP</b>	<b>\$9,558.00</b>
Invoice	Date	Description	Amount	
176516	01/31/2022	PROFESSIONAL SVC - JAN 2022	\$3,757.00	
176838	02/28/2022	PROFESSIONAL SVC - FEB 2022	\$2,273.00	



**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**April 13, 2022**

Check	Date		Payee Name	Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
	177159	03/31/2022	PROFESSIONAL SVC - MARCH 2022	\$3,528.00
<b>11387</b>	04/13/2022		<b>FULLERTON ELECTRIC</b>	<b>\$950.00</b>
	Invoice	Date	Description	Amount
	29941	03/15/2022	POWER CONNECTION SVC - EXPO CENTER	\$950.00
<b>11388</b>	04/13/2022		<b>HARDY AND HARPER, INC.</b>	<b>\$72,770.85</b>
	Invoice	Date	Description	Amount
	#3-EXPO-2133	04/01/2022	EXPO CENTER ROAD REHABILITATION - EXPO-2133	\$76,600.90
<b>11389</b>	04/13/2022		<b>IDS GROUP, INC.</b>	<b>\$10,289.50</b>
	Invoice	Date	Description	Amount
	19X002.13-1	02/28/2022	NEW BANQUET FACILITY - EXPO CENTER	\$8,056.50
	20X047.00-8	01/31/2022	FIRE ALARM SYSTEM DESIGN - EXPO CENTER	\$2,233.00
<b>11390</b>	04/13/2022		<b>IRRI-CARE PLUMBING &amp; BACKFLOW T</b>	<b>\$195.00</b>
	Invoice	Date	Description	Amount
	13031	02/15/2022	REPAIR RELIEF VALVE - EXPO CENTER	\$195.00
<b>11391</b>	04/13/2022		<b>KAZONI CONSTRUCTION</b>	<b>\$174,641.78</b>
	Invoice	Date	Description	Amount
	#1-EXPO-2127R	04/01/2022	EXPO CENTER AVALON ROOM IMPRVMENTS - EXPO-212	\$183,833.45
<b>11392</b>	04/13/2022		<b>LOS ANGELES COUNTY PUBLIC WOR</b>	<b>\$3,716.98</b>
	Invoice	Date	Description	Amount
	RE-PW22030705175	03/07/2022	EXPO CENTER VAULT LID	\$3,716.98

**Civic-Recreational-Industrial Authority**  
**Board Meeting**  
**April 13, 2022**

Check	Date	Payee Name		Check Amount
<b>CRIA.WF.CHK - CRIA Wells Fargo Checking</b>				
<b>11393</b>	04/13/2022	<b>PACIFIC UTILITY INSTALLATION</b>		<b>\$13,823.00</b>
	Invoice	Date	Description	Amount
	25451	02/28/2022	ELECTRICAL DISTRIBUTION & STREETLIGHT SYSTEM	\$3,670.00
	25452	02/28/2022	ELECTRICAL DISTRIBUTION & STREETLIGHT SYSTEM	\$10,153.00
<b>11394</b>	04/13/2022	<b>SATSUMA LANDSCAPE &amp; MAINT.</b>		<b>\$34,540.64</b>
	Invoice	Date	Description	Amount
	0322EC	03/30/2022	MARCH 2022 LANDSCAPE MAINTENANCE	\$34,540.64
<b>11395</b>	04/13/2022	<b>VALLEY VISTA SERVICES, INC</b>		<b>\$900.00</b>
	Invoice	Date	Description	Amount
	0004727282	03/01/2022	IH RODEO STORAGE BOXES - MAR 2022	\$450.00
	0004775667	04/01/2022	IH RODEO STORAGE BOXES - APRIL 2022	\$450.00
<b>11396</b>	04/13/2022	<b>VORTEX INDUSTRIES, INC.</b>		<b>\$2,411.65</b>
	Invoice	Date	Description	Amount
	04-1566235	03/28/2022	REPAIRS FOR SWING GATES @ EXPO CENTER	\$2,411.65

Checks	Status	Count	Transaction Amount
	Total	21	\$687,113.57

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.2

Industry Hills Expo Center

Check Detail

February 2022

Industry Hills Expo Center - Check Register

FEBRUARY

DATE	CHECK #	PAYEE	AMOUNT	DETAILS
02/08/2022	16876	ABI ATTACHMENTS	3,274.35	EQUIPMENT EXP.
02/08/2022	16877	ALARMCO	210.00	FIRE ALARM SYSTEM - MONITORING
02/08/2022	16878	CINTAS	578.12	MATS, MOPS AND UNIFORMS
02/08/2022	16879	CNC EQUESTRIAN MANAGEMENT	19,224.49	MAINT. CREW JANUARY 2022
02/08/2022	16880	OFFICE DEPOT	408.54	SUPPLES EXP.
02/08/2022	16881	SATSUMA LANDSCAPE	8,674.00	PROPERTY MAINT. EXP.
02/08/2022	16882	VALLEY VISTA SERVICES, INC.	991.60	ROLL OFF AND DUMP FEES
02/15/2022	16883	CINTAS	578.12	MATS, MOPS AND UNIFORMS
02/15/2022	16884	CNC EQUESTRIAN MANAGEMENT	1,370.99	AMEX
02/15/2022	16885	JANUS PEST MANAGEMENT, INC.	2,248.00	PEST CONTROL
02/15/2022	16886	JUAN LOPEZ	850.00	IT SERVICES - JANUARY 2022
02/15/2022	16887	OFFICE DEPOT	23.27	SUPPLES EXP.
02/15/2022	16888	SOCAL INDUSTRIES	589.20	PORTA POTTY RENTAL
02/15/2022	16889	VALLEY VISTA SERVICES, INC.	5,920.19	ROLL OFF AND DUMP FEES
02/27/2022	16890	California Dept. of Tax and Fee Admin.	70.00	SALES TAX
<b>*INDICATES CANCELLATION DUE TO COVID-19 OUTBREAK</b>				
<b>TOTAL</b>			<b>45,010.87</b>	

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.3

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CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2021  
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The Special Meeting of the Civic-Recreational-Industrial Authority of the City of Industry, California, was called to order by Chairman Eric Benavidez at 9:00 a.m., in the City of Industry Council Chamber, 15651 Mayor Dave Way, California and telephonically using Conference Call Number, 657-204-3264, Conference ID: 742 006 371#.

**FLAG SALUTE**

The flag salute was led by Chairman Benavidez.

**ROLL CALL**

PRESENT: Eric Benavidez, Chairman  
Ronald Whittemore, Vice Chairman  
Sean Lee, Board Member  
Bob Lindsey, Board Member

STAFF PRESENT: Josh Nelson, Executive Director; Bing Hyun, Assistant City Manager; James M. Casso, General Counsel; Julie Robles, Secretary; and Lynn Thompson, Administrative Technician III.

**PUBLIC COMMENTS**

There were no public comments.

Chairman Eric Benavidez announced the passing of Board Member Larry Hartmann on October 20, 2021 and asked for a moment of silence. We have learned so much from Larry and in spite of his cancer, he never stopped being optimistic. He will truly be missed. Vice Chairman Ronald Whittemore added that he had known Larry for 25 years and he was a class act.

**BOARD MATTERS**

**5.1 CONSIDERATION OF APPOINTMENT TO FILL ONE (1) VACANT SEAT ON THE INDUSTRY PROPERTY AND HOUSING MANAGEMENT AUTHORITY.**

*RECOMMENDED ACTION:* Discuss and make appointment to the Industry Property and Housing Management Authority and/ or provide additional direction to Staff.

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CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2021  
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MOTION BY CHAIRMAN BENAVIDEZ AND SECOND BY VICE CHAIRMAN WHITTEMORE TO NOMINATE TIMOTHY O’GORMAN AS BOARD MEMBER TO THE INDUSTRY PROPERTY AND HOUSING MANAGEMENT AUTHORITY. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	LEE, LINDSEY, V/C WHITTEMORE, C/BENAVIDEZ
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
ABSTAIN:	BOARD MEMBERS:	NONE

**EXECUTIVE DIRECTOR COMMUNICATIONS**

There were none.

**ADJOURNMENT**

There being no further business, the Civic-Recreational-Industrial Authority adjourned at 9:25 a.m.

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Eric Benavidez, Chairman

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Julie Robles, Secretary

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.4





# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

**TO: Chair and Board Members**

**FROM: Audit Committee**

**DATE: April 13, 2022**

**SUBJECT: Civic-Recreational-Industrial Authority Year Ending June 30, 2021,  
Annual Financial Reports**

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### **RECOMMENDATION**

Receive and file the following annual financial reports for the year ending June 30, 2021, and to instruct staff to present a summary of the year ending June 30, 2021, Annual Financial Reports to the Chair and Board Members. The Audit Committee has approved these financial reports.

### **City of Industry**

1. Annual Audited Basic Financial Statements for the Year Ending June 30, 2021, with Independent Auditors' Report
2. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Year Ending June 30, 2021
3. Auditors' Communications with the Chair and Board Members for the Year Ending June 30, 2021

### **EXECUTIVE SUMMARY**

The City's independent auditors, CliftonLarsonAllen, LLP, have completed their annual audit of the City's financial statements which include the financial activities of its component units (Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational- Industrial Authority, and the Industry Public Facilities Authority) for the year ending June 30, 2021. The financial statements received an unqualified (or clean) opinion. No material weakness in internal control was noted by the Auditors.

## **DESCRIPTION OF REPORTS**

The financial reports and management compliance letter for the year ending June 30, 2021, are briefly described below:

### **Annual Financial Report**

The annual financial statement is a comprehensive document reflecting the financial position of the City and its component units. The Auditors issued an unqualified (or clean) opinion on these financial statements.

### **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

No material weakness in internal control was noted by the Auditors.

### **The Auditors' Communications with the Audit Committee and the Chair and Board Members**

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the Audit Committee and the Chair and Board Members. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

### **Fiscal Impact**

There is no fiscal impact as result of this action.

**CIVIC-RECREATIONAL-INDUSTRY AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
AUDIT, TAX, AND CONSULTING

[CLAcconnect.com](http://CLAcconnect.com)

**CIVIC-RECREATIONAL-INDUSTRY AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Civic-Recreational-Industrial Authority  
(A Component Unit of City of Industry)  
Industry, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of the Civic-Recreational-Industrial Authority (the CRIA), a component unit of the City of Industry (the City), California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the CRIA's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to CRIA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRIA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities and each major fund of the CRIA as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

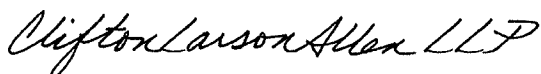
*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule – General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2022, on our consideration of the CRIA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRIA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRIA’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
April 1, 2022

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 30,856	\$ 3,347	\$ 34,203
Investments	83,596	-	83,596
Accounts Receivable, Net	200,000	243,925	443,925
Accrued Interest	68	-	68
Inventory of Materials and Supplies	-	23,329	23,329
Prepaid Items	-	8,674	8,674
Deposits	-	3,000	3,000
Total Current Assets	<u>314,520</u>	<u>282,275</u>	<u>596,795</u>
Noncurrent Assets:			
Capital Assets:			
Capital Assets Not being Depreciated	-	1,262,442	1,262,442
Capital Assets being Depreciated, Net	-	12,212,802	12,212,802
Total Capital Assets, Net	<u>-</u>	<u>13,475,244</u>	<u>13,475,244</u>
Accumulated Depreciation	<u>-</u>	<u>13,475,244</u>	<u>13,475,244</u>
Total Assets	<u>314,520</u>	<u>13,757,519</u>	<u>14,072,039</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	201,662	56,125	257,787
Deposits	-	25,650	25,650
Unearned Revenue	-	54,228	54,228
Total Current Liabilities	<u>201,662</u>	<u>136,003</u>	<u>337,665</u>
<b>NET POSITION</b>			
Investment in Capital Assets	-	13,475,244	13,475,244
Unrestricted	<u>112,858</u>	<u>146,272</u>	<u>259,130</u>
Total Net Position	<u>\$ 112,858</u>	<u>\$ 13,621,516</u>	<u>\$ 13,734,374</u>

See accompanying Notes to Financial Statements.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS</b>				
Primary Government:				
Governmental Activities:				
General Administration	\$ 1,275,460	\$ -	\$ 5,883,786	\$ -
Total Governmental Activities	<u>1,275,460</u>	<u>-</u>	<u>5,883,786</u>	<u>-</u>
Business-Type Activities:				
General Administration	1,001,743	-	-	-
Expo Center Operations	386,587	14,738	-	5,621,236
Depreciation	460,508	-	-	-
Total Business-Type Activities	<u>1,848,838</u>	<u>14,738</u>	<u>-</u>	<u>5,621,236</u>
Total Primary Government	<u>\$ 3,124,298</u>	<u>\$ 14,738</u>	<u>\$ 5,883,786</u>	<u>\$ 5,621,236</u>

**GENERAL REVENUES AND TRANSFERS**

Investment Income  
Miscellaneous Revenue  
Transfers  
Total General Revenues and Transfers

**CHANGE IN NET POSITION**

Net Position - Beginning of Year

**NET POSITION - END OF YEAR**

See accompanying Notes to Financial Statements.



**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Net Revenues (Expenses) and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>			
Primary Government:			
Governmental Activities:			
General Administration	\$ 4,608,326	\$ -	\$ 4,608,326
Total Governmental Activities	4,608,326	-	4,608,326
Business-Type Activities:			
General Administration	-	(1,001,743)	(1,001,743)
Expo Center Operations	-	5,249,387	5,249,387
Depreciation	-	(460,508)	(460,508)
Total Business-Type Activities	-	3,787,136	3,787,136
Total Primary Government	4,608,326	3,787,136	8,395,462
<b>GENERAL REVENUES AND TRANSFERS</b>			
Investment Income	507	-	507
Miscellaneous Revenue	-	5,133	5,133
Transfers	(4,557,694)	4,557,694	-
Total General Revenues and Transfers	(4,557,187)	4,562,827	5,640
<b>CHANGE IN NET POSITION</b>	51,139	8,349,963	8,401,102
Net Position - Beginning of Year	61,719	5,271,553	5,333,272
<b>NET POSITION - END OF YEAR</b>	<u>\$ 112,858</u>	<u>\$ 13,621,516</u>	<u>\$ 13,734,374</u>

See accompanying Notes to Financial Statements.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY**  
**(A COMPONENT UNIT OF CITY OF INDUSTRY)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2021**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 30,856
Investments	83,596
Accounts Receivable, Net	200,000
Accrued Interest	68
Total Assets	\$ 314,520
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 201,662
<b>FUND BALANCE</b>	
Assigned for Capital Projects	112,858
Total Liabilities and Fund Balance	\$ 314,520

See accompanying Notes to Financial Statements.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Total Fund Balance of Governmental Funds	<u>\$ 112,858</u>
Net Position of Governmental Activities	<u>\$ 112,858</u>

*See accompanying Notes to Financial Statements.*

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2021**

	General Fund
<b>REVENUES</b>	
Intergovernmental Revenue	\$ 5,883,786
Investment income	507
Total Revenues	5,884,293
<b>EXPENDITURES</b>	
General Administration:	
Administrative Costs	61,949
Professional Services	580,056
Operation of Property	633,455
Total Expenditures	1,275,460
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	4,608,833
<b>OTHER FINANCING USES</b>	
Transfers Out	(4,557,694)
<b>NET CHANGE IN FUND BALANCE</b>	51,139
Fund Balance - Beginning of Year	61,719
<b>FUND BALANCE - END OF YEAR</b>	\$ 112,858

See accompanying Notes to Financial Statements.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balance of the Total Governmental Funds	<u>\$ 51,139</u>
Net Change in Net Position of Governmental Activities	<u>\$ 51,139</u>

*See accompanying Notes to Financial Statements.*

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2021**

	<u>Industry Hills Expo Center Enterprise Fund</u>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 3,347
Accounts Receivable, Net	243,925
Inventory of Materials and Supplies	23,329
Prepaid Items	8,674
Deposits	3,000
Total Current Assets	<u>282,275</u>
Noncurrent Assets:	
Capital Assets:	
Capital Assets Not being Depreciated	1,262,442
Capital Assets being Depreciated, Net	12,212,802
Total Capital Assets, Net Accumulated Depreciation	<u>13,475,244</u>
Total Assets	<u>13,757,519</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	56,125
Deposits	25,650
Unearned Revenue	54,228
Total Current Liabilities	<u>136,003</u>
<b>NET POSITION</b>	
Investment in Capital Assets	13,475,244
Unrestricted	<u>146,272</u>
Total Net Position	<u>\$ 13,621,516</u>

See accompanying Notes to Financial Statements.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2021**

	<u>Industry Hills Expo Center Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Grand Arena	\$ 13,763
Facilities	975
Other Revenue	5,133
Total Operating Revenues	<u>19,871</u>
 <b>OPERATING EXPENSES</b>	
General Administration	1,001,743
Expo Center Operations	386,587
Depreciation	460,508
Total Operating Expenses	<u>1,848,838</u>
 <b>OPERATING LOSS</b>	 (1,828,967)
 <b>TRANSFER IN</b>	 4,557,694
<b>CAPITAL CONTRIBUTIONS</b>	<u>5,621,236</u>
 <b>CHANGE IN NET POSITION</b>	 8,349,963
Net Position - Beginning of Year	<u>5,271,553</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 13,621,516</u></u>

See accompanying Notes to Financial Statements.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2021**

	<u>Industry Hills Expo Center Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers and Users	\$ (4,283)
Cash Payments for Services and Supplies	<u>(1,386,050)</u>
Net Cash Used by Operating Activities	<u>(1,390,333)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash Received from Other Funds	<u>4,557,694</u>
Net Cash Provided by Noncapital Financing Activities	<u>4,557,694</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and Construction of Capital Assets	<u>(3,198,682)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(3,198,682)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(31,321)
Cash and Cash Equivalents - Beginning of Year	<u>34,668</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,347</u>
<b>CASH AND CASH EQUIVALENTS</b>	
Cash	<u>\$ 3,347</u>
Total Cash and Cash Equivalents	<u>\$ 3,347</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	<u>\$ (1,828,967)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	460,508
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(6,104)
Prepaid Items	20
Inventory	15,085
Increase (Decrease) in:	
Accounts Payable	31,580
Accrued Liabilities	(1,609)
Customer Deposits	(18,050)
Unearned Revenues	<u>(42,796)</u>
Total Adjustments	<u>438,634</u>
Net Cash Used by Operating Activities	<u>\$ (1,390,333)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Contributed Capital	<u>\$ 5,621,236</u>

See accompanying Notes to Financial Statements.



**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Reporting Agency**

The Civic-Recreational-Industrial Authority (the CRIA) was created on March 1, 1972, by a joint exercise of powers agreement between the City of Industry, California (the City) and the Industry Urban-Development Agency (the IUDA). The agreement was made pursuant to the provisions of Article I, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, Sections 6500, et seq. The IUDA was dissolved as a legal entity as of February 1, 2012, under ABX1 26, and therefore can no longer participate as a member of CRIA. On May 24, 2012, the City adopted resolution No. CC 2012-10. The resolution amended and restated the existing joint exercise of powers agreement and admitted the City of La Puente as a member of CRIA.

The CRIA exists and acts as a separate entity. The governing board of CRIA consists of a commission of five members: four members appointed by the Council of the City of Industry and one member by the Council of the City of La Puente.

The CRIA has the power to acquire sites and to acquire, construct, finance, and lease the public buildings and appurtenances and to issue revenue bonds for the financing of these projects. Under the Joint Powers Agreement, the City of Industry may advance funds to CRIA in certain circumstances.

The CRIA is a component unit and an integral part of the City of Industry and accordingly has also been included in the City of Industry general purpose financial statements issued as of June 30 of each year. Only the funds of CRIA are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of the City. Financial statements for the City of Industry may be obtained from the Finance Department at the City of Industry offices located at 15625 Mayor Dave Way, City of Industry, California.

**B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation**

The financial statements of the CRIA have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**C. Government-Wide Financial Statements**

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the CRIA accompanied by a total column.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide Financial Statements (Continued)**

These statements are presented on an *economic resources* measurement focus and the *accrual basis* of accounting. Under the *economic resources* measurement focus, all economic resources including capital assets, and long term liabilities, are included in the accompanying statement of net position.

Under the *accrual basis* of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditure. Eliminations for interfund activities, payables, and receivables have been made at June 30, 2021.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for CRIA are reported in three categories:

1. Charges for services,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**D. Fund Financial Statements**

The accounts of the CRIA are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Financial Statements (Continued)**

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Governmental Fund Financial Statements

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Revenues are considered available if they are collected within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. Interest income is susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by CRIA and are recognized at that time.

In the fund financial statements, governmental funds are presented using the "current financial resources" measurement focus. This means that only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheets. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets.

CRIA reports the following major governmental fund:

*General Fund* – The General Fund is CRIA's operating fund is also used to account for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by Enterprise Funds.

Proprietary Fund Financial Statements

The Proprietary Fund is used to account for CRIA's ongoing organizations and activities, which are similar to those often found in the private sector. In the fund financial statements, the proprietary fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

In the fund financial statements, proprietary fund is presented using the *economic resources* measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with their activity are included on their statements of net position. Amounts expended to acquire capital assets are recorded as assets in the proprietary fund statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Fund Financial Statements (Continued)**

Proprietary Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of CRIA generally come from the leasing of its facilities to various parties. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Enterprise Fund is a type of proprietary fund that is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on the continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The CRIA reports the following major proprietary fund:

*Industry-Hill Expo Center Enterprise Fund* – This fund accounts for space rentals for events and equestrian activities to the general public at the Industry-Hill Expo Center.

**E. Cash, Cash Equivalent, and Investments**

The CRIA's cash includes cash on hand and demand deposits with financial institutions. For the purpose of the statement of cash flows, the CRIA considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Short-term investments are reported at amortized cost, which approximates fair value. Investments that exceed more than one year in maturity are valued at fair value.

**F. Accounts Receivable**

Accounts receivable are stated at the amounts the CRIA expects to collect from outstanding balances. The accounts receivable balance is charged off in the period in which the receivables are deemed uncollectible. The CRIA evaluates uncollectible amounts based on its assessment of the current status of individual accounts.

**G. Inventories**

Inventories of the Industry-Hills Expo Center Enterprise Fund consist of food and beverages. The inventories are reported at the lower of cost or net realizable value on the first-in, first-out basis of accounting.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Prepaid Items**

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year end.

**I. Capital Assets and Depreciation**

Capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

If a cost related to capital assets does not extend its useful life, increase its productivity, improve its operating efficiency, or add additional production capacity, the cost is regarded as repairs and maintenance and recognized as an expense as incurred; if it does, the cost is regarded as major renewals and betterments and capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide and proprietary fund financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Building and Improvements	45 Years
Furniture and fixtures	3 to 10 Years
Infrastructure	20 to 50 Years
Vehicles	7 Years

**J. Net Position**

Net position in the government-wide and proprietary fund financial statements is classified as follows:

*Investment in capital assets* - includes buildings and improvements, furniture and fixtures, infrastructure and vehicles, net of accumulated depreciation.

*Restricted* – restricted net position represents constraints on resources that are restricted by external creditors, granters, contributors, laws or regulations of other governments.

*Unrestricted* – unrestricted net position is amounts which do not meet the definition of investment in capital assets or restricted net position.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Net Position (Continued)**

When both restricted and unrestricted resources are available for use, it is the CRIA's policy to use restricted resources first and then unrestricted resources, as they are needed.

**K. Fund Balances**

In the governmental fund financial statements, fund balances are classified in the following categories:

*Nonspendable* – items that cannot be spent because they are not in spendable form or items that are legally or contractually required to be maintained intact.

*Restricted* – restricted fund balances are amounts with constraints placed on their use that are either: (a) externally imposed by creditors, granters, contributors, or laws or regulations of other governments, or (b) imposed by law by constitutional provisions or enabling legislation. The CRIA has no restricted fund balances at June 30, 2021.

*Committed* – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the CRIA's imposes upon itself at its highest level of decision-making authority (the board of directors) through board resolutions and that remain binding unless removed in the same manner.

*Assigned* – assigned fund balances are amounts that are constrained by the CRIA's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The board of directors is authorized for this purpose.

*Unassigned* – this category represents fund balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes.

When both restricted and unrestricted resources are available in a fund, expenditures are to be paid first from restricted resources, and then from unrestricted resources in the order of committed, assigned, then unassigned.

**L. Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments at June 30, 2021, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Cash	\$ 30,856	\$ 3,347	\$ 34,203
Investments	83,596	-	83,596
Total Cash and Investments	<u>\$ 114,452</u>	<u>\$ 3,347</u>	<u>\$ 117,799</u>

Cash and Investments at June 30, 2021,  
in More Detail:

Cash:

Cash on Hand	\$ 700
Demand Deposits	33,503
Total Cash	<u>34,203</u>

Investments:

Local Agency Investment Fund (LAIF)	83,596
Total Cash and Investments	<u>\$ 117,799</u>

**A. Demand Deposits**

The carrying amount of the CRIA's cash deposits was \$33,503 at June 30, 2021. Bank balances before reconciling items were \$182,856 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the CRIA's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the CRIA's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in CRIA's name.

The market value of pledged securities must equal at least 110% of the CRIA's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the CRIA's total cash deposits. The CRIA may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The CRIA, however, has not waived the collateralization requirements. At June 30, 2021, the CRIA's deposits were fully insured by the FDIC.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**B. Investments**

Under provision of CRIA's Investment Policy, and in accordance with Section 53601 of the California Government Code, CRIA may invest in the following types of investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 Years	None	None
U.S. Government Sponsored			
Enterprise Securities	5 Years	None	None
Money Market Funds	N/A	20%	None
Banker's Acceptances	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	None	None
Non-Negotiable Certificates of Deposit	5 Years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Repurchase Agreements	1 Year	None	None
Los Angeles County Investment Pool	N/A	None	None
U.S. Corporate Bonds/Notes	5 Years	30%	None

CRIA's Investment Policy does not contain any specific provisions intended to limit CRIA's exposure to interest rate risk, credit risk, and concentration of credit risk other than those specified in the California Government Code.

**C. State of California Local Agency Investment Fund**

The CRIA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the CRIA's investment in this pool is reported in the accompanying financial statements at amounts based upon the CRIA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

**D. Risk Disclosures**

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that CRIA manages its exposure to interest rate risk is by purchasing short investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. At June 30, 2021, the CRIA's investment in LAIF have maturity less than one year.



**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**D. Risk Disclosures (Continued)**

Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. LAIF does not have a rating provided by a nationally recognized statistical organization.

Concentration of Credit Risk

The investment policy of CRIA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total CRIA investments.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

**NOTE 3 INTERFUND TRANSACTIONS**

Transfers In/Out

For the year ended June 30, 2021, the CRIA had the following transfers in and out:

	Transfers In	
	Industry Hills	
	Expo Center	
	Enterprise Fund	Total
General Fund	\$ 4,557,694	\$ 4,557,694

The purpose of the transfers was to provide needed operating funds to operate the Industry Hills Expo Center.

**NOTE 4 INTERGOVERNMENTAL REVENUE**

During the year ended June 30, 2021, the CRIA received \$5,883,786 from the City of Industry to provide funding for operations and capital costs.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS**

**A. Governmental Activities**

Governmental activities did not have any capital assets or changes for the year ended June 30, 2021.

**B. Business-Type Activities**

The summary of changes in the business-type activities capital assets for the year ended June 30, 2021, is as follows:

	Business-Type Activities				Balance at June 30, 2021
	Balance at July 1, 2020	Additions	Deletions	Transfer and Reclassification	
Capital Assets, Not being Depreciated:					
Construction in Progress	\$ -	\$ 1,262,442	\$ -	\$ -	\$ 1,262,442
Capital Assets, Being Depreciated:					
Buildings and Improvements	23,469,304	38,665	-	-	23,507,969
Furniture and Fixtures	992,857	-	-	-	992,857
Vehicles	100,459	-	-	-	100,459
Infrastructure	-	7,518,811	-	-	7,518,811
Total Capital Assets, being Depreciated	24,562,620	7,557,476	-	-	32,120,096
Less Accumulated Depreciation:					
Buildings and Improvements	(18,384,636)	(452,208)	-	-	(18,836,844)
Furniture and Fixtures	(961,692)	-	-	-	(961,692)
Vehicles	(100,458)	(8,300)	-	-	(108,758)
Total Accumulated Depreciation	(19,446,786)	(460,508)	-	-	(19,907,294)
Total Capital Assets, being Depreciated, Net	5,115,834	8,359,410	-	-	13,475,244
Total Business-Type Activities Capital Assets, Net	<u>\$ 5,115,834</u>	<u>\$ 8,359,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,475,244</u>

Depreciation expense for the year ended June 30, 2021, amounted to \$460,508.

**NOTE 6 SELF-INSURANCE PLANS**

The City established a Self-Insurance Plan (the Plan) to pay for liability claims against the City and the CRIA. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision for having sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has given this authority to the City Manager. Potential liability of claims in excess of \$250,000, up to \$10,000,000, is covered by excess liability insurance policies. As of June 30, 2021, there are no pending liability claims outstanding against the CRIA.

**NOTE 7 EXCESS EXPENDITURES OVER APPROPRIATIONS**

	Actual	Budget	Excess
General Fund	\$ 1,117,000	\$ 1,275,460	\$ (158,460)

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
BUDGETARY COMPARISON SCHEDULE (UNAUDITED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental Revenue	\$ 1,877,500	\$ 1,877,500	\$ 5,883,786	\$ 4,006,286
Investment income	1,500	1,500	507	(993)
Total Revenues	<u>1,879,000</u>	<u>1,879,000</u>	<u>5,884,293</u>	<u>4,005,293</u>
<b>EXPENDITURES</b>				
General Administration:				
Administrative Costs	66,800	66,800	61,949	4,851
Professional Services	542,200	542,200	580,056	(37,856)
Operation of Property	508,000	508,000	633,455	(125,455)
Total Expenditures	<u>1,117,000</u>	<u>1,117,000</u>	<u>1,275,460</u>	<u>(158,460)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	762,000	762,000	4,608,833	3,846,833
<b>OTHER FINANCING USES</b>				
Transfers Out	(1,075,000)	(1,750,000)	(4,557,694)	(2,807,694)
Total Other Financing Sources	<u>(1,075,000)</u>	<u>(1,750,000)</u>	<u>(4,557,694)</u>	<u>(2,807,694)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(313,000)	(988,000)	51,139	1,039,139
Fund Balance - Beginning of Year	<u>61,719</u>	<u>61,719</u>	<u>61,719</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (251,281)</u>	<u>\$ (926,281)</u>	<u>\$ 112,858</u>	<u>\$ 1,039,139</u>

See accompanying Note to Required Supplementary Information.

**CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY  
(A COMPONENT UNIT OF CITY OF INDUSTRY)  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

The board of directors adopts an annual budget, submitted by the Executive Director prior to June 30. The appropriated budget is prepared by fund, function, and department. All annual appropriations lapse at the end of the fiscal year. The board of directors has the legal authority to amend the budget at any time during the fiscal year. There were no amendments to the budget during the year. The Executive Director has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the board of directors.

The annual budget is prepared on a basis consistent with generally accepted accounting principles and is adopted for all governmental type funds.

The CRIA maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board of Directors. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

Excess Expenditures Over Appropriations

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
General Fund	\$ 1,117,000	\$ 1,275,460	\$ (158,460)

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.5



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

**TO:** Chair and Board Members

**FROM:** Audit Committee

**DATE:** April 13, 2022

**SUBJECT:** Civic-Recreational-Industrial Authority Year Ending June 30, 2021,  
Annual Financial Reports

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### RECOMMENDATION

Receive and file the following annual financial reports for the year ending June 30, 2021, and to instruct staff to present a summary of the year ending June 30, 2021, Annual Financial Reports to the Chair and Board Members. The Audit Committee has approved these financial reports.

### **City of Industry**

1. Annual Audited Basic Financial Statements for the Year Ending June 30, 2021, with Independent Auditors' Report
2. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Year Ending June 30, 2021
3. Auditors' Communications with the Chair and Board Members for the Year Ending June 30, 2021

### EXECUTIVE SUMMARY

The City's independent auditors, CliftonLarsonAllen, LLP, have completed their annual audit of the City's financial statements which include the financial activities of its component units (Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational- Industrial Authority, and the Industry Public Facilities Authority) for the year ending June 30, 2021. The financial statements received an unqualified (or clean) opinion. No material weakness in internal control was noted by the Auditors.

## **DESCRIPTION OF REPORTS**

The financial reports and management compliance letter for the year ending June 30, 2021, are briefly described below:

### **Annual Financial Report**

The annual financial statement is a comprehensive document reflecting the financial position of the City and its component units. The Auditors issued an unqualified (or clean) opinion on these financial statements.

### **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

No material weakness in internal control was noted by the Auditors.

### **The Auditors' Communications with the Audit Committee and the Chair and Board Members**

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the Audit Committee and the Chair and Board Members. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

### **Fiscal Impact**

There is no fiscal impact as result of this action.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council  
City of Industry  
Industry, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Industry, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Industry's basic financial statements, and have issued our report thereon dated April 1, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Industry's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Industry's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Industry's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 to be significant deficiencies.



### **Compliance and Other Matters**

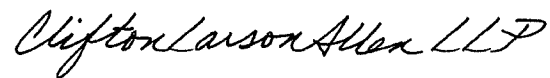
As part of obtaining reasonable assurance about whether City of Industry's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Industry's Response to the Findings**

City of Industry's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Industry's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Industry's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Irvine, California  
April 1, 2022

**City of Industry**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2021**

**2021– 001 – Procurement Process**

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

**Condition:** The City has a contract that did not have an expiration date which was rolled over every year.

**Criteria or specific requirement:** The City should require bidding/FRP/RFQ for all contracts that exceed specific thresholds and not roll over the contract each year.

**Effect:** The City's ability to promote open competition on all purchases is diminished.

**Cause:** The City's procurement policy was adopted in June 2013 and does not address the renewal of contracts without going through bidding/FRP/RFQ process.

**Repeat finding:** This is a repeat finding from prior year.

**Recommendation:** We recommended the City enhance its internal control over the procurement process and purchasing policy that will ensure open competition on all purchases.

**View of responsible officials and planned corrective actions:** The current Procurement Policy was adopted in June 2013 and the City is in the process of reviewing and updating the contracts to be compliant with the 2013 policy while dealing with other pressing matters. The prior contracts met the procurement policies at that time and were either approved by the City's Procurement Officer or the then City Council depending on the types of contracts and services to be provided. It is the management's belief that the City has not experienced any budget mismanagement related to these contracts not being updated to current standards or not having a termination date. In addition, some of these contracts are subject to 30-day notice of cancellation, which provides the City flexibility and ability to monitor and manage these contracts. City's current management continues to review agreements and bring them in compliance with current procurement policies and procedures. The City also recently updated some of these contracts.

**2021– 002 – Capital Assets**

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

**Condition:** During our review of capital assets in the Successor Agency to Industry-Urban Development Agency Fund (SA to IUDA) we noted the SA to IUDA has approximately \$367,500,000 in net capital assets. We understand the SA to IUDA is in the process of winding down and that all the capital assets will be disposed of at some point in time.

**Criteria or specific requirement:** The SA to IUDA should transition assets to the entity that will be responsible for the maintenance of the assets.

**Effect:** SA to IUDA recorded assets of approximately \$367,500,000 as opposed to the entities that are responsible for the maintenance of the assets.

**Cause:** The SA to IUDA is still in the wind down process and has not transferred the assets to another responsible entity.

**Repeat finding:** This is a repeat finding from prior year.

**Recommendation:** We recommend that the City establish and implement procedures to review all assets owned by the SA to IUDA to ensure properties are accurately classified in the financial statements. In addition, the City should review whether these properties are for governmental use and take appropriate actions to transfer them to the City or Agency that will be responsible for maintaining the infrastructure assets.

**View of responsible officials and planned corrective actions:** The City is ultimately responsible for maintaining the infrastructure assets and these will eventually be transferred to the City. Management is in the process of transferring these assets to the City.

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.6



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

**TO:** Chair and Board Members

**FROM:** Audit Committee

**DATE:** April 13, 2022

**SUBJECT:** Civic-Recreational-Industrial Authority Year Ending June 30, 2021,  
Annual Financial Reports

---

### RECOMMENDATION

Receive and file the following annual financial reports for the year ending June 30, 2021, and to instruct staff to present a summary of the year ending June 30, 2021, Annual Financial Reports to the Chair and Board Members. The Audit Committee has approved these financial reports.

### **City of Industry**

1. Annual Audited Basic Financial Statements for the Year Ending June 30, 2021, with Independent Auditors' Report
2. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Year Ending June 30, 2021
3. Auditors' Communications with the Chair and Board Members for the Year Ending June 30, 2021

### EXECUTIVE SUMMARY

The City's independent auditors, CliftonLarsonAllen, LLP, have completed their annual audit of the City's financial statements which include the financial activities of its component units (Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational- Industrial Authority, and the Industry Public Facilities Authority) for the year ending June 30, 2021. The financial statements received an unqualified (or clean) opinion. No material weakness in internal control was noted by the Auditors.

## **DESCRIPTION OF REPORTS**

The financial reports and management compliance letter for the year ending June 30, 2021, are briefly described below:

### **Annual Financial Report**

The annual financial statement is a comprehensive document reflecting the financial position of the City and its component units. The Auditors issued an unqualified (or clean) opinion on these financial statements.

### **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

No material weakness in internal control was noted by the Auditors.

### **The Auditors' Communications with the Audit Committee and the Chair and Board Members**

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the Audit Committee and the Chair and Board Members. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

### **Fiscal Impact**

There is no fiscal impact as result of this action.



Honorable Mayor and City Council  
City of Industry  
Industry, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Industry as of and for the year ended June 30, 2021, and have issued our report thereon dated April 1, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Industry are described in Note 1 to the financial statements.

As described in Note 1E the City implemented the Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in fiscal year 2020-2021 by reclassifying agency funds to custodial funds. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Changes in Fiduciary Net Position as an increase in net position of \$1,827,277.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the City's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- The OPEB actuarially determined contribution, OPEB expense, total OPEB liability, and corresponding deferred outflows of resources and deferred inflows of resources for the City's OPEB plan are based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

*Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were Note 12 regarding the pension plan obligations, and Note 14 regarding the City's postemployment health care benefits.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate to the financial statements taken as a whole.

***Corrected misstatements***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated April 1, 2022.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



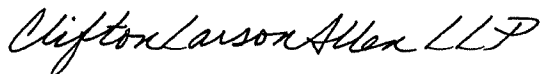
**Other information in documents containing audited financial statements**

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the combining and individual fund financial statements, and schedules of long-term debt (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated April 1, 2022.

\* \* \*

This communication is intended solely for the information and use of the City Council and management of City of Industry and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Irvine, California  
April 1, 2022

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**

City of Industry

General Fund

Year Ended June 30, 2021

**UNCORRECTED ADJUSTMENTS**

**Effect of misstatements on:**

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
Wages Payable		\$ (136,823)		
Payroll Expense				136,823
Net current year misstatements (Iron Curtain Method)	-	(136,823)	-	136,823
Net prior year misstatements	-	-	(623,518)	-
Combined current and prior year misstatements (Rollover Method)	\$ -	\$ (136,823)	\$ (623,518)	\$ 136,823
Financial statement totals	<u>\$ 718,146,450</u>	<u>\$ 8,823,397</u>	<u>\$ 709,323,053</u>	<u>\$ 25,898,914</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		-2%		1%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		-2%	0%	1%

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 5.7

## RESOLUTION NO. CRIA 2022-05

### A RESOLUTION OF THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY (“CRIA”) CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

#### RECITALS

**WHEREAS**, CRIA is committed to preserving and encouraging public access and participation in its meetings; and

**WHEREAS**, all meetings of CRIA are open and public, as required by the Ralph M. Brown Act (Gov. Code §§54950 – 54963) (“Brown Act”), so that any member of the public may attend, participate, and observe CRIA conduct its business; and

**WHEREAS**, in March 2020 as a response to the ongoing COVID-19 pandemic, Governor Newsom issued Executive Orders N-25-20 and N-29-20. These orders suspended certain elements of the Brown Act and specifically allowed for legislative bodies as defined by the Brown Act to hold their meetings entirely electronically with no physical meeting place. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which provided that the provisions in Executive Order N-29-20 suspending certain elements of the Brown Act would continue to apply through September 30, 2021; and

**WHEREAS**, on September 16, 2021 Governor Newsom signed AB 361, which added subsection (e) to Government Code §54953 of the Brown Act, and makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code §54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, one of the conditions required is that a state of emergency has been declared by the Governor pursuant to Government Code §8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code §8558; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, in March 2020, in response to the spread of COVID-19 in the State of California, the Governor Proclaimed a State of Emergency pursuant to Government Code §8625, and issued a number of executive orders aimed at containing the COVID-19 virus, and the County of Los Angeles through various Orders of the Los Angeles County Health Officer, continues to impose or recommend measures to promote social distancing; and

**WHEREAS**, Los Angeles County officials have recommended measures to promote social distancing, and strongly recommend masks for all regardless of vaccination status in an effort to slow the transmission of COVID-19 throughout the State and Los Angeles County; and

**WHEREAS**, CRIA is concerned about the health and safety of all individuals of the public who attend public meetings; and

**WHEREAS**, as a consequence of the continued state of emergency, the CRIA Board adopted Resolution No. CRIA 2021-05 on October 13, 2021, Resolution No. CRIA 2021-06 on November 10, 2021, Resolution No. CRIA 2021-07 on December 10, 2021, Resolution No. CRIA 2022-01 on January 9, 2022, Resolution No. CRIA 2022-02 on February 8, 2022, and Resolution No. CRIA 2022-04 on March 10, 2022, finding and determining that the CRIA Board would continue to conduct its meetings without compliance with Government Code §54953(b)(3), as authorized by Government Code §54953(e), and that CRIA would continue to comply with the requirements to provide the public with access to all public meetings as prescribed in §54953(e)(2); and

**WHEREAS**, pursuant to the provisions of AB 361, the CRIA Board hereby finds and determines that the findings set forth in Resolution No. CRIA 2022-04 remain, and that it is thereby necessary to continue to conduct its meetings without compliance with Government Code §54953(b)(3), as authorized by Government Code §54953(e).

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

**SECTION 1:** The Board finds that all of the facts set forth in the Recitals are true and correct and are incorporated herein by reference.

**SECTION 2:** The Board hereby considers the existing conditions of the state of emergency, local officials in Los Angeles County have recommended or imposed measures to promote social distancing in connection with COVID-19. Based on these facts, findings, and determinations, the Board authorizes Staff to conduct remote teleconference meetings of the Board, under the provisions of Government Code §54953(e).

**SECTION 3:** The Executive Director is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution and AB 361, including continuing to conduct open and public meetings in accordance with the Brown Act.

**SECTION 4:** This Resolution shall take effect April 9, 2022, and shall be effective until May 9, 2022, or such time as the Board adopts a subsequent resolution in accordance with Government Code §54953(e)(3) to extend the time during which the Board may continue to meet by teleconference.

**PASSED, APPROVED AND ADOPTED** by the Civic-Recreational-Industrial Authority (“CRIA”) at a regular meeting held on April 13, 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

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Eric Benavidez, Chairman

**ATTEST:**

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Julie Gutierrez-Robles, Secretary

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*


ITEM NO. 6.1



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

**TO:** Honorable Chairman Benavidez and Members of the Board

**FROM:** Joshua Nelson, Executive Director 

**STAFF:** Tapas Dutta, Program Manager, CNC Engineering

**DATE:** April 13, 2022

**SUBJECT:** Consideration of Amendment No. 1 to the Professional Services Agreement with Veneklasen Associates, Inc., for professional design services for the Grand Arena Audio Visual Upgrades project, revising the scope of services, extending the term through December 31, 2023, increasing compensation by \$183,304.00, and revising the address for CRIA (MP 01-34 #33)

---

### **Background:**

On June 9, 2021, the CRIA Board approved a Professional Services Agreement (“Agreement”) with Veneklasen Associates, Inc. (“Veneklasen”) for the design of the audio-visual (“A/V”) system upgrades, the information technology system, and the security systems for the Expo Center A/V Upgrades to the Grand Arena project (“Project”), in an amount not to exceed \$85,596.00 through December 31, 2022.

### **Discussion:**

Veneklasen performed an inventory of the existing systems at the Grand Arena and discussed the upgrade requirements with Staff. Based on the inventory and feedback from Staff, Veneklasen provided a report outlining the scope of the upgrades. The required upgrades were considerably more involved and complex than the original scope outlined, which only entailed replacing the loudspeakers and processing equipment at the existing location of the stands. The additional items include:

- Design of an HVAC system for the control room and the associated architectural, mechanical, and electrical work
- Expand the audio coverage beyond the stands throughout the arena, including the VIP seating area and the event staging area
- Intercom for communication within the Grand Arena
- Video production cameras and equipment for streaming content for events at the Grand Arena



Staff recommends amending the Agreement to extend the term through December 31, 2023 to complete these additional services listed above, the construction documents, and for design support during the construction phase, along with a companion increase in compensation of \$183,304.00. Additionally, it is necessary to revise the address for CRIA.

**Fiscal Impact:**

The fiscal impact for Amendment No. 1 is \$183,304.00. In the Fiscal Year 2021-2022 Capital Improvement Project budget, \$250,000.00 is approved for this work (Account No. 121-713-5130) (MP 01-34 #33).

**Recommendation:**

It is recommended that the CRIA Board approve Amendment No. 1 to the Professional Services Agreement with Veneklasen.

**Exhibit:**

- A. Amendment No. 1 to the Professional Services Agreement with Veneklasen Associates, Inc. dated April 13, 2022

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JN/TD:jf

**EXHIBIT A**

Amendment No. 1 to the Professional Services Agreement with Veneklasen  
Associates, Inc. dated April 13, 2022

[Attached]

**AMENDMENT NO. 1  
TO PROFESSIONAL SERVICES AGREEMENT WITH  
VENEKLASEN ASSOCIATES, INC**

This Amendment No. 1 to the Professional Services Agreement (“Agreement”) is made and entered into this 13th day of April 2022, (“Effective Date”) between the Civic-Recreational-Industrial Authority (“CRIA”), a public body, and Veneklasen Associates, Inc, a California corporation (“Consultant”). CRIA and Consultant are hereinafter collectively referred to as the “Parties.”

**RECITALS**

**WHEREAS**, on or about June 9, 2021, the Agreement was entered into and executed between CRIA and Consultant to provide professional information technology design services; and;

**WHEREAS**, CRIA desires to amend the Agreement to expand the scope of services to include the design of an HVAC system, expanded audio coverage, communication intercom design, and video production cameras and equipment, extend the Agreement through December 31, 2023 to allow for the completion of these services, and to increase compensation by \$183,304.00 for the additional services. It is also necessary to update the address for CRIA; and

**WHEREAS**, for the reasons set forth herein, CRIA and Consultant desire to enter into this Amendment No. 1, as set forth below.

**AMENDMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

**1. TERM**

Section 1, Term, is hereby revised to read in its entirety as follows:

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31 2023, unless sooner terminated pursuant to the provisions of this Agreement.

**4. PAYMENT**

The second sentence of Section 4(a) is hereby revised to read in its entirety as follows:

This amount shall not exceed Two Hundred Sixty-Eight Thousand Nine Hundred Dollars (\$268,900.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

**14. NOTICES**

Section 14 is hereby revised to reflect the current address of CRIA:

To CRIA: Civic Recreational Industrial Authority  
15625 Mayor Dave Way  
City of Industry, CA 91744  
Attention: Executive Director

**Exhibit A, Scope of Services**

The Scope of Services is hereby revised to include additional work as set forth in Attachment 1, attached hereto, and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

**“CRIA”**  
Civic Recreational Industrial Authority

**“CONSULTANT”**  
Veneklasen Associates, Inc.

By: \_\_\_\_\_  
Joshua Nelson, Executive Director

By: \_\_\_\_\_  
Anika Atwal, Principal

**Attest:**

By: \_\_\_\_\_  
Julie Gutierrez-Robles, Secretary

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
James M. Casso, General Counsel

## **ATTACHMENT 1**

### **EXHIBIT A Scope of Services**

Consultant shall provide the following additional services for the Grand Arena A/V Upgrades project at Expo Center:

- Design of an HVAC system for the control room and the associated architectural, mechanical, and electrical work
- Expand the audio coverage beyond the stands throughout the arena, including the VIP seating area and the event staging area
- Intercom for communication within the Grand Arena
- Video production cameras and equipment for streaming content for events at the Grand Arena

**EXHIBIT A TO AMENDMENT NO. 1**  
**PROFESSIONAL SERVICES AGREEMENT WITH VENEKLASEN ASSOCIATES INC.**  
**DATED JUNE 9, 2021**

## CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

### PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (“Agreement”), is made and effective as of June 9, 2021 (“Effective Date”), between the Civic-Recreational-Industrial Authority (“CRIA”), a public body, and Veneklasen Associates, Inc., a California corporation (“Consultant”). CRIA and Consultant are hereinafter collectively referred to as the “Parties”.

#### RECITALS

**WHEREAS**, CRIA desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, CRIA and Consultant agree as follows:

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 31, 2022, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks (“Services”) described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full (“Scope of Services”). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of CRIA. The Services shall be performed by Consultant, unless prior written approval is first obtained from CRIA. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) CRIA shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to CRIA and in a first-class manner in conformance with the standards of quality normally observed by an entity providing professional information technology design services, serving a public agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom

Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) CRIA has not consented in writing to Consultant's performance of such work. No officer or employee of CRIA shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of CRIA. If Consultant was an employee, agent, appointee, or official of CRIA in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse CRIA for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### **3. MANAGEMENT**

CRIA's Executive Director or his designee shall represent CRIA in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) CRIA agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Eighty Five Thousand Five Hundred Ninety Six Dollars (\$85,596.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by CRIA. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by CRIA and Consultant at the time CRIA's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If CRIA disputes any of



Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) CRIA may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If CRIA suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, CRIA shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to CRIA. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to CRIA pursuant to Section 5 of this Agreement.

## **6. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by CRIA that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of CRIA or its designees at reasonable times to review such books and records; shall give CRIA the right to examine and audit said books and records; shall permit CRIA to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of CRIA and may be used, reused, or otherwise disposed of by CRIA without the permission of the Consultant. With respect to computer files, Consultant shall make available to CRIA, at the Consultant's office, and upon reasonable written request by CRIA, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to CRIA all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of CRIA.

## 7. INDEMNIFICATION

### (a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless CRIA and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### (b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless CRIA, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event CRIA, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by CRIA, Consultant shall have an immediate duty to defend CRIA at Consultant's cost or at CRIA's option, to reimburse CRIA for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by CRIA is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and CRIA, as to whether liability arises from the sole negligence of CRIA or its officers, employees, or agents, Consultant will be obligated to pay for CRIA's defense until such time as a final judgment has been entered adjudicating CRIA as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

## 8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

## **9. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to CRIA a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither CRIA nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of CRIA. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CRIA, or bind CRIA in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, CRIA shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for CRIA. CRIA shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

(c) Consultant shall indemnify, defend and hold harmless, CRIA, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including contributions to any retirement and/or pension plan, legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant, service as an independent contractor. The indemnity provisions set forth in this Section 9(c) shall survive the termination of this Agreement, and are in addition to any other rights or remedies CRIA may have under the law.

## **10. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. CRIA, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

## **11. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of CRIA in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of CRIA has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as

a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling CRIA to any and all remedies at law or in equity.

**12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of CRIA, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

**13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without CRIA's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from CRIA, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within CRIA, unless otherwise required by law or court order.

(b) Consultant shall promptly notify CRIA should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within CRIA, unless Consultant is prohibited by law from informing CRIA of such Discovery, court order or subpoena. CRIA retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless CRIA is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with CRIA and to provide the opportunity to review any response to discovery requests provided by Consultant. However, CRIA's right to review any such response does not imply or mean the right by CRIA to control, direct, or rewrite said response.

**14. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To CRIA:	Civic-Recreational-Industrial Authority 15625 E. Stafford, Suite 100 City of Industry, CA 91744 Attention: Troy Helling, Executive Director
----------	--

With a Copy To: Casso & Sparks, LLP  
13300 Crossroads Parkway North, Suite 410  
City of Industry, CA 91746  
Attention: James M. Casso, General Counsel

To Consultant: Veneklasen Associates, Inc.  
1711 Sixteenth Street  
Santa Monica, CA 90404  
Attention: Jack Shimizu, Associate Principal

#### **15. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of CRIA.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide CRIA with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying CRIA as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from CRIA for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to CRIA for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between CRIA and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

#### **16. GOVERNING LAW/ATTORNEYS' FEES**

CRIA and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

#### **17. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement,

are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**18. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**19. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**20. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**21. WAIVER**

The waiver by CRIA or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by CRIA or Consultant unless in writing.

**22. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**23. AUTHORITY TO EXECUTE THIS AGREEMENT**

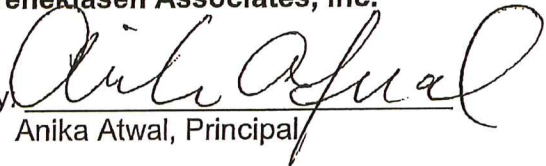
The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

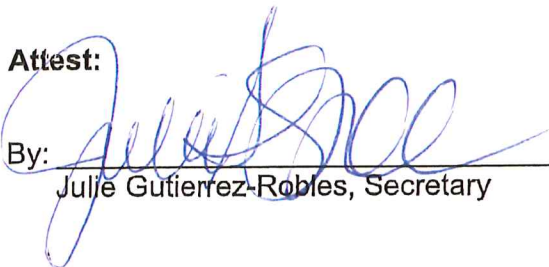
**"CRIA"**  
**Civic Recreational-Industrial Authority**

By:   
Troy Helling, Executive Director

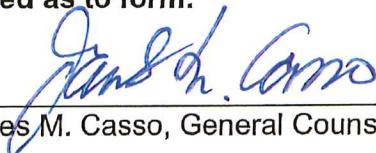
**"CONSULTANT"**  
**Veneklasen Associates, Inc.**

By:   
Anika Atwal, Principal

**Attest:**

By:   
Julie Gutierrez-Robles, Secretary

**Approved as to form:**

By:   
James M. Casso, General Counsel

Attachments:      Exhibit A      Scope of Services  
                         Exhibit B      Rate Schedule  
                         Exhibit C      Insurance Requirements

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall provide the following services for information technology, security systems, and audio-visual systems for the Expo Center Audio-Visual Upgrades to the Grand Arena project:

#### **A.1: INFORMATION TECHNOLOGY (“IT”) SYSTEMS DESIGN**

The project will provide for TELECOM and Wi-Fi infrastructure services consulting at the EXPO Grand Arena consisting of Grand Arena, Barns, Shavings Office, Cafés, common areas and Parking area. IT Infrastructure design shall be in compliance with current Building Industry Consulting Service International, Incorporated. (BICSI) and American National Standards Institute (ANSI) / Telecommunications Industry Association (TIA) standards, as well as the design standards presented by IT user groups, and best practices. During the programming and schematic phase, the requirements of the IT system will be defined and documented by Consultant and approved by CRIA staff, prior to proceeding with preparation of design development drawings for the following areas:

Intermediate Distribution Frame (IDF) / IT Equipment Room

Rack, cabinet, equipment enclosures

Grounding and bonding system

Cable support and pathways

Broadband / Internet Protocol Television (IPTV) distribution

Utilities demarcation point

Fiber optic backbone distribution Copper backbone distribution

802.11 based Wi-Fi Services distribution uninterruptible power supply ( UPS) Power Systems

Cafés

Copper voice and data outlets Include Cabling Support Broadband / IPTV distribution

Include Cabling Specifications into IT Drawings

802.11 based Wi-Fi Services distribution Harsh environment / moisture proof outlets

Shavings Office

Copper voice and data outlets Include Cabling Support Broadband / IPTV distribution

Include Cabling Specifications into IT Drawings

802.11 based Wi-Fi Services distribution Harsh environment / moisture proof outlets

Admin / Building Management System



Copper voice and data outlets Include Cabling Support Broadband / IPTV distribution

Include Cabling Specifications into IT Drawings

802.11 based Wi-Fi Services distribution Harsh environment / moisture proof outlets Riser / Distribution Closets

Rack, Cabinet, Equipment enclosures Grounding and Bonding system Cable support and pathways

Fiber Optic backbone distribution Copper backbone distribution Horizontal voice / data distribution

802.11 based Wi-Fi Services distribution Broadband / IPTV distribution

UPS Power Systems

East / West Barns

Copper voice and data outlets Include Cabling Support Broadband / IPTV distribution

Include Cabling Specifications into IT Drawings

802.11 based Wi-Fi Services distribution Harsh environment / moisture proof outlets

Arena Parking Lot

Copper voice and data outlets Include Cabling Support Broadband / IPTV distribution

Include Cabling Specifications into IT Drawings

802.11 based Wi-Fi Services distribution Harsh environment / moisture proof outlets

Main Arena

Copper voice and data outlets Include Cabling Support Broadband / IPTV distribution

Include Cabling Specifications into IT Drawings

802.11 based Wi-Fi Services distribution Harsh environment / moisture proof outlets

## **I. DESIGN PHASE**

### **A. Programming**

1. Meet with the CRIA Staff to discuss the objectives for the voice, data, and broadband systems. Discuss alternative approaches. Discuss the alternatives of installed equipment vs. making provisions for future equipment in the infrastructure. Discuss budget issues in general.

2. Develop a programming document for review and approval that includes the following information:

a. Summarize information determined from meeting in a programming report.

b. Description of major systems and functions.

- c. Space requirements for control rooms, storage, etc.
- 3. Meet and coordinate with CRIA and CRIA's IT consultant on future campus wide IT project
- B. Schematic Design
  - 1. Based upon the approved program develop the design to the following level:
    - a. Establish space requirements for control rooms and equipment storage, and equipment.
    - b. Establish requirements for special electrical power, grounds, etc.
    - c. Provide outline specifications for the systems.
    - d. Respond to comments associated with the programming report.
- C. Design development
  - 1. Prepare drawings to be upgraded in terms of detail to become the final contract documents. These drawings will include:
    - a. Equipment and distribution room layout
    - b. Equipment racks and cabinets location plan.
    - c. Voice and data outlet locations.
    - d. Wireless access point general locations.
    - e. Grounding and bonding details.
    - f. Pathway and conduit recommendations
  - 2. Specify outlet requirements for harsh environments.
  - 3. Provide riser sleeve quantity and general location.
  - 4. Provide structural load information of cable support systems.
  - 5. In areas being refurbished, perform a site survey to determine usability of existing infrastructure, and develop systems to tie the existing structured cabling plant to new locations.
- D. Construction Documents
  - 1. Finalize contract drawings including the following:
    - a. Symbols, general notes.
    - b. Rack elevations.
    - c. Functional diagrams.
    - d. Cable and fiber optic specifications.

- e. Locations for voice / data network system components.
- f. Wireless access point detailed locations and mounting methods
- 2. Complete Information Technology systems specifications including voice, data, and broadband specifications and other specification sections, as required.
- E. Meetings
  - 1. Attend four meetings as necessary during the design process and two site inspections during construction. Unlimited virtual meetings will be honored.

F. Document Submittal and Coordination

Submit IT system documents and specifications a maximum of three times during the design process. Consultant will submit 50 percent, 90 percent, and 100 percent construction documents packages. Drawings will be submitted in AutoCAD drawing format; specifications will be submitted in Microsoft Word format. CRIA shall pay for all printing costs.

**II. BIDDING AND CONSTRUCTION CONTRACT AWARD**

- A. Design, engineering and technical production tasks
  - 1. Respond to questions as directed by CRIA provided by the bidders in regard to IT drawings and specifications.
  - 2. Prepare addenda as necessary for clarification.
  - 3. Review IT bids for completeness and accuracy. Advise CRIA on the acceptability of the bidder's proposals.
  - 4. Incorporate addenda into plans and specifications and issue conformed set documents for construction as appropriate.
  - 5. Provide a list of recommended IT Systems contractors to CRIA upon request.

**III. CONSTRUCTION ADMINISTRATION**

- A. Review IT System shop drawings and submittals. Consultant requires that the contractor provide one submission of the entire IT system. Partial submittals are not acceptable and will be communicated to CRIA staff.
- B. Review and respond to contractor and vendor RFI's.
- C. Review and approve IT systems operation and maintenance manuals.
- D. Oversee systems test and prepare punch list with CRIA staff.
- E. Provide observation visits to the project site as necessary.
- F. Prepare observation reports and punch list, as required.
- G. Unlimited virtual meeting will be honored.

#### **IV. ASSUMPTIONS AND ADDITIONAL SERVICES**

A. Exclusions include the following:

1. Structural, Electrical, and Mechanical Engineering and Design.
2. Plan Check Submittal and Approval Process.
3. Voice and Data Computer hardware and software not directly related to the passive IT system.
4. Fire Alarm Systems. (Local Area Network (LAN) connections included in fee)
5. DAS (Distributed Antenna Systems) ERRC (Emergency Responder Radio Coverage)
6. Building Automation Systems Design (BAS) / Building Management System (BMS) (Local Area Network (LAN) connections included in fee)
7. Participation in value engineering or peer review sessions and responding to value engineering review comments - other than as may be indicated above.
8. Value engineering or redesign after completion of contract documents.
9. Attendance at hearings, planning commission meetings, etc.
10. Preparation of construction documents for alternates.
11. Split project or construction documents into separate bid packages.
12. Converting drawings (hardcopy, PDF, TIF, etc.) to DWG format
13. Record Drawings.
14. Consideration of any space or feature not listed above in Scope of Work.

B. Clarifications

1. Distributed Antenna Systems (DAS) for cellular phones will be coordinated with local carriers and their design teams.
2. Emergency First Responders radio repeater system will be coordinated with local contractors used by existing local agencies

#### **A.2: SECURITY SYSTEM DESIGN**

Security systems will include the following anticipated elements and systems.

1. Video surveillance system
  - a. Video surveillance camera
  - b. Client monitoring stations
  - c. Video management system software and server

- d. Network video recorder and archiver
- e. Power over ethernet (PoE) network switch
- f. Patch panel
- g. Power supply and Uninterrupted Power Supply (UPS)
- h. All associated wires and cable
- 2. Intrusion detection system
  - a. Intrusion alarm panel and expansion modules
  - b. Motion detection
  - c. Glass break
  - d. Duress alarm
  - e. Horn/strobe
  - f. Power supply and battery back-up
  - g. All associated wires and cables
- 3. Equipment rack for all rack mounted equipment and devices
- 4. Pathways and cable infrastructure for security systems.

#### Areas of Work

##### Point of Sale (POS) & ATM locations

- Video Surveillance System
- Intrusion Detection System
- Audio Video Intercommunication System
- Equipment rack pathways and cable infrastructure for security systems.

#### I. DESIGN PHASE

##### A. Programming

- 1. Meet with CRIA staff to discuss their objectives and goals for security systems and operations.
  - a. Discuss alternative approaches.
  - b. Discuss the immediately installed equipment and provisions for future equipment based on the needs of the project.
  - c. Discuss primary security systems approaches; such as analog vs digital, IP based, stand-alone vs shared network configuration, etc.

- d. Discuss security systems' budget.
  - e. Discuss special security requirements and protection of IT server rooms, offices, etc.
  - f. Discuss security communications signals on the IT network and co-location of security and IT equipment.
  - g. Review owner provided security system criteria and requirements.
2. Develop a programming document for CRIA review and approval that includes the following information:
    - a. Summarize information determined from meeting in a programming report.
    - b. Description of major systems and functions.
    - c. Alternatives.
    - d. Space requirements for equipment and control rooms, storage, etc.
- B. Schematic design
1. Based upon the approved program, develop the design to the following level:
    - a. Establish compatibility requirements for existing equipment required to integrate with new Security System.
    - b. Establish provisions for future equipment / expansion requirements.
    - c. Provide schematic level documents as necessary to determine major systems elements and components.
    - d. Establish space requirements related to security functions.
    - e. Prepare basis-of-design narrative.
    - f. Revise narrative as appropriate after owner and project team reviews.
- C. Design development
1. Upon approval of the basis of design narrative:
    - a. Layout field located devices.
    - b. Prepare accompanying devices schedules.
    - c. Prepare the general security systems specifications.
  2. Finalize required system interconnectivity and integration design.
  3. Coordinate with owner in regard to field located security equipment aesthetics.
  4. Develop block diagram to depict major systems elements.
  5. Prepare control and equipment room layouts.

6. Prepare general electronics security systems specifications section.
- D. Construction Documents
  1. Finalize contract drawings including the following:
    - a. Symbols, general notes.
    - b. Rack elevations.
    - c. Functional diagrams.
    - d. Wire specifications.
    - e. Locations for security system components.
    - f. Sections and elevations
    - g. Details, as needed.
  2. Finalize control and equipment room layouts.
  3. Prepare systems details drawings.
  4. Complete security systems performance specifications including system programming specifications and other specification sections, as required.
- E. Meetings
  1. Attend four meetings as necessary during the design process and two site inspections during construction. Unlimited virtual meetings will be honored.
- F. Document Submittal and Coordination
  1. Coordinate with the other consultants as required.
  2. Support preparation of systems cost estimates (by others).
  3. Submit security system documents and specifications a maximum of three times during the design process. Consultant will submit 50 percent, 90 percent, and 100 percent Construction Documents packages.
  4. Drawings will be submitted in AutoCAD drawing format.
  5. Specifications will be submitted in Microsoft Word format.

## **II. BIDDING AND CONSTRUCTION CONTRACT AWARD**

- A. Design, Engineering and Technical Production Tasks
  1. Provide response to CRIA to questions provided by the bidders in regard to security drawings and specifications.
  2. Prepare addenda as needed by CRIA for clarification.

3. Review security bids for completeness and accuracy. Advise CRIA staff on the acceptability of the bidder's proposals.
4. Incorporate addenda into plans and specifications and issue conformed set documents for construction as appropriate.
5. Upon request by CRIA, provide a list of approved security systems contractors.

### **III. CONSTRUCTION ADMINISTRATION**

- A. Review security system shop drawings and submittals from the awarded contractor. Consultant requires that the security contractor provide only one submittal of the entire security system. Partial submittals are not acceptable.
- B. Review and respond to CRIA regarding contractor and vendor requests for information.
- C. Review and recommend approval to CRIA the security systems operation and maintenance manuals.
- D. Oversee systems test and prepare punch list for CRIA staff.
- E. Provide final systems punch list checkout.
- F. Provide one observation visit to the project site.
- G. Prepare observation reports and punch list, as required.

### **IV. PRINCIPAL ASSUMPTIONS AND ADDITIONAL SERVICES**

#### **A. Assumptions**

1. Plotting and printing of drawings and specifications for distribution to CRIA and CRIA's consultants will be billed as a reimbursable expense
  3. A full security systems design is included. However, it is assumed that point-to-point wiring diagrams, final systems configurations, conduit sizing and routing, shop drawings, as-built drawings, etc., will be provided by the security systems contractor.
- B. Exclusions include the following:
1. Structural, electrical, and mechanical engineering and design.
  2. Plan check submittal and approval process.
  3. Preparation of security risk or vulnerability assessments.
  4. Physical security design (bollards, barriers, ballistic rated glass and panels, etc.)
  5. Meetings or site visits beyond the numbers indicated above.
  6. Attendance at hearings, planning commission meetings, etc.
  7. Preparation of opinions of probable construction cost (cost estimates).



8. Participation in value engineering or peer review sessions and responding to value engineering review comments - other than as may be indicated above.
9. Redesign of systems after design phase documents have been approved.
10. Revisions to previously performed work caused by changes to the original approved design criteria.
11. Preparation of construction documents for alternates.
12. Services and expenses necessary to oversee correction of contractor-caused defects, omissions, delays or damage to the project.
13. Split project or construction documents into separate bid packages.
14. The preparation of record drawings. The specifications will call for the systems integrator / installer to provide as-built drawings, shop drawings, wiring diagrams, etc., for the project.
15. Consideration of any space or feature not listed above in "Scope of Services"

### **A.3 – AUDIO-VISUAL SYSTEM DESIGN**

AV systems will include the following anticipated elements and systems.

<b>Broadcast systems and infrastructure</b>	<b>Public address system</b>
Broadcast Production Switcher	Digital Mixer
Effects Generator	Wired and Wireless Microphones
Character Generator	Source equipment
Production Cameras	Loudspeaker & Power Supplies
Video Servers	Enhancement Loudspeakers
Video Disk Recorder	Power Amplifiers
Ingest Station	Controller
Audio Mixer	Preset recall Capable
Graphics Generator	Distributed 70 Volt Loudspeaker System
Program/Preview Monitors	Multi Zoned Amplification
Broadcast Connectivity/Infrastructure	Cabling Telephone Interface
Mobile TV Truck Panel	Cross Connect Infrastructure
Broadcast Uplink Infrastructure	Assistive Listening System
Cross Connect Infrastructure	

<b>Streaming Broadcast System – Grand Arena, Cafes, Barns</b>	<b>InterComm – Grand Arena, Barns, Cafes, Shavings Office</b>
Video Monitors (typical of 30)	Multi-building Communications
Streaming Server	
Streaming Encoders	

## Existing Infrastructure Investigation

### Acoustical Model of Grand Arena

#### I. DESIGN PHASE

##### A. Programming

1. Meet with CRIA staff to discuss the objectives for the audio-visual systems. Discuss alternative approaches. Discuss the alternatives of installed equipment vs. making provisions for future equipment in the infrastructure. Discuss budget issues in general.
2. Develop a programming document for review and approval that includes the following information:
  - a. Summarize information determined from meeting.
  - b. Description of major systems and functions.
  - c. Alternatives.
  - d. Space requirements for control rooms, storage, etc.
  - e. Preliminary system budgets.
3. Perform onsite investigation of existing infrastructure:
  - a. Document and summarize information.

##### B. Schematic Phase

Based upon the approved program develop the design to the following level:

1. Establish space requirements for control rooms and equipment storage, and equipment.

2. Establish requirements for special electrical power, grounds, etc.
  3. Provide outline specifications for the systems.
  4. Provide an engineer's opinion of probable cost for the installed systems.
  5. Respond to comments associated with the programming report.
  6. Provide equipment layout plan.
- C. Design Development Phase
1. Prepare drawings that will be upgraded in terms of detail to become the final contract documents. These drawings will include:
    - a. Loudspeaker locations and types.
    - b. Equipment location plan.
    - c. Sound system receptacle (microphone, auxiliary inputs, etc.) locations.
    - d. Control and equipment room layouts.
    - e. Video screen size and locations.
    - f. Preliminary details.
  2. Provide heat load data and equipment power requirements.
  3. Provide special attachment requirements.
  4. Provide structural load information.
- D. Contract Documents
1. Finalize contract drawings including the following:
    - a. Symbols, general notes.
    - b. Rack elevations.
    - c. Functional diagrams.
    - d. Wire specifications.
    - e. Final locations for audio-visual system components.
    - f. Speaker hanging and aiming details, as needed.
    - g. Facility panel details.
  2. Complete audio-visual performance specifications including system programming specifications and other specification sections, as required.
  3. Prepare final system cost estimates.
- E. Meetings

1. Attend four meetings as necessary during the design process and two site inspections during construction. Unlimited virtual meetings will be honored.

F. Document Submittal and Coordination

1. Coordinate with other consultants as required.
2. Submit audio-visual system documents and specifications a maximum of three times during the design process. VA anticipates submitting 50%, 90%, and 100% Construction Documents packages.
3. Drawings will be submitted in AutoCAD. If Revit or BIM documentation is required, this will be performed as an additional service.
4. Specifications will be submitted in Microsoft Word format.

## **II. BIDDING & CONSTRUCTION CONTRACT AWARD**

A. Respond to CRIA with answers to questions provided by the bidders to the audio-visual drawings and specifications.

B. Review the audio-visual systems bids. Advise CRIA on the acceptability of the bidder's proposals. Consultant will review qualified bids for the project once. CRIA will provide one package including all Contractor bids.

## **III. CONSTRUCTION ADMINISTRATION**

A. Review audio-visual shop drawings and submittals. Consultant will limit the review of any single item to one time, maximum. Consultant requires that the Contractor provide one submission of the entire system. Partial submittals are not acceptable.

B. Review and respond to CRIA for contractor and vendor RFI's.

C. Review and respond to CRIA for audio-visual systems operation and maintenance manuals.

D. Provide two observation visits to the project site.

E. Prepare observation reports and punch list, as required.

## **IV. PRINCIPAL ASSUMPTIONS AND EXCLUSIONS**

A. Assumptions

1. Plotting and printing of drawings and specifications for distribution to CRIA and will be billed as a reimbursable expense.

B. Exclusions

1. Structural, electrical, and mechanical engineering and design.
2. Plan check submittal and approval process.

3. Consideration of any space or feature not listed above in "Scope of Services"
4. Computer hardware and software not directly related to the audio-visual system.
5. Close Circuit Television (CCTV), Master Antenna Television (MATV), voice and data telecommunications
6. Participation in value engineering or peer review sessions and responding to value engineering review comments - other than as may be indicated above.
7. Value engineering or redesign after completion of contract documents.
8. Attendance at hearings, planning commission meetings, etc.
9. Revisions to previously performed work caused by changes to the original design criteria.
10. Preparation of construction documents for alternates.
11. Split project or construction documents into separate bid packages.
12. Converting drawings (hardcopy, PDF, TIF, etc.) to DWG format
13. Record Drawings.

EXHIBIT B  
RATE SCHEDULE

<b>Classification</b>	<b>Rate</b>
Associate Principal	\$210/HR
Senior Associate	\$190/HR
Associate IV	\$160/HR
Associate V	\$140/HR
Associate VI	\$120/HR
Black & White Plotting	\$0.15/SF
Color Plotting	\$2.25/SF
Scanning	\$2.25/SF

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of CRIA, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to CRIA.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to CRIA, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of CRIA, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to CRIA as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by CRIA's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with CRIA at all times during the term of this contract. CRIA reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by CRIA shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of CRIA before CRIA's own insurance or self-insurance shall be called upon to protect it as a named insured.

**CRIA's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, CRIA has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CRIA will be promptly reimbursed by Consultant, or CRIA will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CRIA may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by CRIA's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against CRIA, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against CRIA, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of CRIA to inform Consultant of non-compliance with any requirement imposes no additional obligations on CRIA nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, CRIA requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CRIA.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to CRIA with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.



**Additional insured status.** General liability policies shall provide or be endorsed to provide that CRIA and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to CRIA and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to CRIA for review.

**CRIA's right to revise specifications.** CRIA reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, CRIA and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by CRIA. CRIA reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by CRIA.

**Timely notice of claims.** Consultant shall give CRIA prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 6.2



# CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

## MEMORANDUM

TO: Honorable Chairman and Board Members

STAFF: Yamini Pathak, Director of Finance  
Dean Yamagata, Financial Consultant – Frazer, LLP

DATE: April 13, 2022

SUBJECT: Civic-Recreational-Industrial Authority January 31, 2022 Financial Report

### **Executive Summary:**

Due to the pandemic, the Expo Center operations have been severely limited since March 2020. Our analysis will focus mainly on the control of expenditures and status of the capital projects to be completed during fiscal year ended June 2022.

#### Expo Center:

For the month ended January 31, 2022, the Expo Center generated revenues of \$3,207 and incurred expenses of \$119,250.

For the year to date ended January 31, 2022, the Expo Center generated revenues of \$67,372 and incurred expenses amounted to \$864,530, which represents approximately 58.0% of the budgeted annual expenses of \$1,479,000. Transfers received by the Expo Center amounted to \$697,500 for the year to date period ended January 31, 2022.

The expenses are in line with the budgeted amounts for the year ended June 30, 2022.

#### Capital Projects Fund:

Total budgeted expenditures for the year ended June 30, 2022 amount to \$1,177,900 which the Fund has incurred \$99,342 of expenditures during the month of January 2022 and \$681,240 or 58% of year to date expenditures. Year to date transfers from the City of Industry amounted to \$1,554,072, of which \$697,500 was transferred to the Expo Center.

**Description of Reports:**

The monthly financial statements, as shown in Exhibit A, are a comprehensive document reflecting the financial position and the result of operations of the Authority at January 31, 2022.

**Fiscal Impact:**

There is no fiscal impact as result of this action.

**Recommendation:**

Receive and file.

# **EXHIBIT A**

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

FINANCIAL STATEMENTS

January 31, 2022

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

FINANCIAL STATEMENTS

January 31, 2022

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Note: The presentation of these financial statements do not conform with Governmental Accounting Standards Board statement number 34 – Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments and do not include all the disclosures required by this pronouncement.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
FINANCIAL STATEMENTS  
JANUARY 31, 2022

**Expo Center Operations**

During the month ended January 31, 2022, one event was held in The Pavilion with the contract amount totaling \$1,223. This event was Frazer, LLP. No events were held in the Avalon Room for the month ended January 31, 2022.

In the Grand Arena we held one event with the contract totaling \$1,984. This event was Tjarks Agility.

At January 31, 2022 and 2021, our financial statements reflect the following activity:

<u>Expo Center Operations</u>	Month Ended 1/31/2022	Year To Date 1/31/2022	Annual Budget 2021-2022	% of Annual Budget	Month Ended 01/31/2021	Year To Date 01/31/2021
Total revenues	\$ 3,207	\$ 67,372	\$ 8,500	793%	\$ 640	\$ 12,969
Expenses:						
Direct Expo Center expenses	39,423	252,895	437,100	58%	8,649	212,777
General and administrative expenses	79,827	611,635	1,041,900	59%	71,776	578,855
Total direct Expo Center expenses	119,250	864,530	1,479,000	58%	80,425	791,632
Net loss from operations	(116,043)	(797,158)	(1,470,500)	54%	(79,785)	(778,663)
Net loss	\$ (116,043)	\$ (797,158)	\$ (1,470,500)	54%	\$ (79,785)	\$ (778,663)

Summarized financial information by department for the month ending January 31, 2022 and 2021:

<u>Expo Center Operations</u>	Month Ended 1/31/2022	Month Ended 1/31/2022	Month Ended 1/31/2022	Month Ended 1/31/2022	Month Ended 1/31/2022
	Speedway	Facilities	Grand Arena	General and Admin.	Totals
Total revenues	\$ -	\$ 1,223	\$ 1,984	\$ -	\$ 3,207
Expenses:					
Direct Expo Center expenses	-	15,695	23,728	-	39,423
General and administrative expenses	-	-	-	79,827	79,827
Total direct Expo Center expenses	-	15,695	23,728	79,827	119,250
Net loss from operations	-	(14,472)	(21,744)	(79,827)	(116,043)
Net loss for the month ended	\$ -	\$ (14,472)	\$ (21,744)	\$ (79,827)	\$ (116,043)

<u>Expo Center Operations</u>	Month Ended 1/31/2021	Month Ended 1/31/2021	Month Ended 1/31/2021	Month Ended 1/31/2021	Month Ended 1/31/2021
	Speedway	Facilities	Grand Arena	General and Admin.	Totals
Total revenues	\$ -	\$ -	\$ 640	\$ -	\$ 640
Expenses:					
Direct Expo Center expenses	(7,061)	8,940	6,770	-	8,649
General and administrative expenses	-	-	-	71,776	71,776
Total direct Expo Center expenses	(7,061)	8,940	6,770	71,776	80,425
Net (loss) income from operations	7,061	(8,940)	(6,130)	(71,776)	(79,785)
Net (loss) income for the month ended	\$ 7,061	\$ (8,940)	\$ (6,130)	\$ (71,776)	\$ (79,785)



CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
FINANCIAL STATEMENTS  
JANUARY 31, 2022

Summarized financial information by department for the year to date period ending January 31, 2022 and 2021:

	Year To Date 1/31/2022	Year To Date 1/31/2022	Year To Date 1/31/2022	Year To Date 1/31/2022	Year To Date 1/31/2022
<u>Expo Center Operations</u>	<u>Speedway</u>	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ -	\$ 1,915	\$ 64,650	\$ 807	\$ 67,372
Expenses:					
Direct Expo Center expenses	(475)	121,818	131,552	-	252,895
General and administrative expenses	-	-	-	611,635	611,635
Total direct Expo Center expenses	(475)	121,818	131,552	611,635	864,530
Net (loss) income from operations	475	(119,903)	(66,902)	(610,828)	(797,158)
Net loss year to date	\$ 475	\$ (119,903)	\$ (66,902)	\$ (610,828)	\$ (797,158)
	Year To Date 1/31/2021	Year To Date 1/31/2021	Year To Date 1/31/2021	Year To Date 1/31/2021	Year To Date 1/31/2021
<u>Expo Center Operations</u>	<u>Speedway</u>	<u>Facilities</u>	<u>Grand Arena</u>	<u>General and Admin.</u>	<u>Totals</u>
Total revenues	\$ -	\$ 975	\$ 7,009	\$ 4,985	\$ 12,969
Expenses:					
Direct Expo Center expenses	(1,009)	114,591	99,196	-	212,778
General and administrative expenses	-	-	-	578,855	578,855
Total direct Expo Center expenses	(1,009)	114,591	99,196	578,855	791,633
Net (loss) income from operations	1,009	(113,616)	(92,187)	(573,870)	(778,664)
Net loss year to date	\$ 1,009	\$ (113,616)	\$ (92,187)	\$ (573,870)	\$ (778,664)

**CRIA Capital Assets**

In accordance with GASB 34, the Civic-Recreational-Industrial-Authority (referred to as "CRIA") is required to capitalize and depreciate their capital assets. The capital assets net of accumulated depreciation at January 31, 2022 amounted to \$5,115,834. This amount represents the cost of capital assets purchased or constructed over the years at the Industry Hills Expo Center and surrounding areas. No depreciation expense has been recorded in the statement of operations for the period ended January 31, 2022. It is the accounting policy of CRIA to record annual depreciation expense subsequent to the completion of the June 30, 2022 annual audit.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

EXECUTIVE SUMMARY  
 FINANCIAL STATEMENTS  
JANUARY 31, 2022

**Capital Projects Operations**

The capital projects fund reflects expenditures for capital improvements and operational costs. Operational costs include board and staff salaries, professional services, and miscellaneous items.

At January 31, 2022, our financial statements reflect the following activity:

<u>Capital Projects Fund</u>	<u>Month Ended</u> <u>1/31/2022</u>	<u>Year To Date</u> <u>1/31/2022</u>	<u>Annual Budget</u> <u>2021-2022</u>	<u>% of Annual</u> <u>Budget</u>
Total revenues	\$ 48	\$ 167	\$ 1,000	17%
Expenditures				
General and administrative expenses	99,342	681,240	1,177,900	58%
Total expenses	99,342	681,240	1,177,900	58%
Excess of expenditures over revenues	\$ (99,294)	\$ (681,073)	\$ (1,176,900)	58%

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

BALANCE SHEET  
AS OF JANUARY 31, 2022

	<u>Capital Projects</u>	<u>Expo Center</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 115,772	\$ 74,065
Investments	83,763	-
Accounts receivable, net	-	(75)
Prepaid insurance	-	1,084
Prepaid expenses	-	47,093
Inventories	-	22,718
Deposits	-	3,000
Total current assets	<u>199,535</u>	<u>147,885</u>
CAPITAL ASSETS, net	<u>-</u>	<u>5,115,834</u>
Total assets	<u>\$ 199,535</u>	<u>\$ 5,263,719</u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ 40,394
Sales tax payable	-	70
Advance rental payments	-	38,559
Security deposits	-	22,250
Total current liabilities	<u>-</u>	<u>101,273</u>
FUND BALANCE:		
Fund balance	<u>199,535</u>	<u>5,162,446</u>
Total liabilities and fund balance	<u>\$ 199,535</u>	<u>\$ 5,263,719</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

STATEMENT OF OPERATIONS  
FOR THE MONTH AND YEAR TO DATE ENDED JANUARY 31, 2022

	CAPITAL PROJECTS				EXPO CENTER			
	MONTH ENDED 1/31/2022	YEAR TO DATE 1/31/2022	2021-2022 ANNUAL BUDGET	% OF ANNUAL BUDGET	MONTH ENDED 1/31/2022	YEAR TO DATE 1/31/2022	2021-2022 ANNUAL BUDGET	% OF ANNUAL BUDGET
REVENUES:								
Expo center revenues	\$ -	\$ -	\$ -	0%	\$ 3,207	\$ 67,372	\$ 8,500	793%
Other revenues	48	167	1,000	17%	-	-	-	0%
Total revenues	<u>48</u>	<u>167</u>	<u>1,000</u>	17%	<u>3,207</u>	<u>67,372</u>	<u>8,500</u>	793%
EXPENDITURES:								
Operating expenses	-	-	-		39,423	252,895	437,100	58%
General and administrative expenses	99,342	681,240	1,177,900	58%	79,827	611,635	1,041,900	59%
Total expenses	<u>99,342</u>	<u>681,240</u>	<u>1,177,900</u>	58%	<u>119,250</u>	<u>864,530</u>	<u>1,479,000</u>	58%
EXCESS OF EXPENDITURES OVER REVENUES	(99,294)	(681,073)	(1,176,900)	58%	(116,043)	(797,158)	(1,470,500)	54%
OTHER FINANCING SOURCES, NET	100,000	967,818	-	0%	100,000	697,500	-	0%
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES/(EXCESS OF EXPENDITURES OVER REVENUE AND OTHER FINANCING SOURCES)	706	286,745	<u>\$ (1,176,900)</u>	-24%	(16,043)	(99,658)	<u>\$ (1,470,500)</u>	7%
Fund balance, beginning	198,829	(87,210)			5,178,489	5,262,104		
Fund balance, ending	<u>\$ 199,535</u>	<u>\$ 199,535</u>			<u>\$ 5,162,446</u>	<u>\$ 5,162,446</u>		

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY

INDUSTRY HILLS EXPO CENTER  
 STATEMENT OF CASH FLOWS  
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2022

	<u>AMOUNT</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss before transfers and other credits	\$ (797,158)
Adjustments to reconcile net loss to net cash used in operating activities:	
Change in operating assets and liabilities:	
Due from other funds	92,000
Prepaid insurance	7,592
Prepaid expenses	(47,093)
Inventories	610
Accounts payable	(15,732)
Sales tax payable	70
Advance rental payments	(15,669)
Security deposits	(3,400)
Net cash used in operating activities	<u>(778,780)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other financing sources	<u>697,500</u>
NET CHANGE IN CASH	(81,280)
Cash at July 1, 2021	<u>155,345</u>
Cash at January 31, 2022	<u>\$ <u>74,065</u></u>

INDUSTRY HILLS EXPO CENTER  
SCHEDULE OF REVENUES AND EXPENSES  
FOR THE MONTHS AND YEARS TO DATE JANUARY 31, 2022 AND 2021

Expo Center Operations	MONTH ENDED 1/31/2022	YEAR TO DATE 1/31/2022	ANNUAL BUDGET 2021-2022	% OF ANNUAL BUDGET	MONTH ENDED 01/31/2021	YEAR TO DATE 01/31/2021
<b>Revenues</b>						
Facilities rentals	\$ 600	\$ 600	\$ -	0%	\$ -	\$ 975
Facilities rentals - bar sales	623	1,315	-	0%	-	-
Facilities - security	-	-	-	0%	-	-
Facilities - food	-	-	-	0%	-	-
Facilities - insurance	-	-	-	0%	-	-
Facilities - other	-	-	-	0%	-	-
Grand Arena - special events rentals	-	4,500	-	0%	-	-
Grand Arena - outdoor arena rentals	-	-	-	0%	-	-
Grand Arena - show barn stall rentals	525	14,020	8,000	175%	640	5,730
Grand Arena - shaving sales	-	2,509	500	502%	-	393
Grand Arena - security	-	-	-	0%	-	-
Grand Arena - trailer parking	100	750	-	0%	-	-
Grand Arena - bar sales	109	26,608	-	0%	-	886
Grand Arena - food	-	2,122	-	0%	-	-
Grand Arena - feed sales	-	-	-	0%	-	-
Grand Arena - parking	1,250	12,525	-	0%	-	-
Grand Arena - other	-	1,616	-	0%	-	-
Speedway - Merchandise	-	-	-	0%	-	-
Speedway - Bar	-	-	-	0%	-	-
Speedway - Prize Money	-	-	-	0%	-	-
Speedway - General Admission	-	-	-	0%	-	-
Speedway - Concessions	-	-	-	0%	-	-
Speedway - Parking	-	-	-	0%	-	-
Speedway - Other	-	-	-	0%	-	-
G&A- Other	-	807	-	0%	-	4,985
<b>Total revenues</b>	<b>3,207</b>	<b>67,372</b>	<b>8,500</b>	<b>793%</b>	<b>640</b>	<b>12,969</b>
<b>Expo expenses</b>						
Cost of sales	423	10,256	12,000	85%	1,565	7,295
Bar supplies	-	858	-	0%	-	-
Promotional banquet	-	-	-	0%	-	-
Feed	-	-	-	0%	-	-
Contract labor/wages	38,080	219,459	366,700	60%	12,364	180,342
Furniture/fixtures & equipment	-	-	-	0%	-	-
Facilities - insurance	-	1,000	-	0%	(600)	400
Miscellaneous	-	1,844	2,000	92%	-	-
Promotional	-	-	-	0%	-	-
Property maintenance	-	5,604	12,000	47%	-	1,866
Repairs and maintenance	-	-	-	0%	-	-
Sales tax	-	243	-	0%	1	1
Security - Grand Arena	-	-	-	0%	-	-
Security - Facilities	-	-	-	0%	-	-
Security - Speedway	-	-	-	0%	-	-
Shavings	(236)	2,255	400	564%	-	(88)
Supplies	1,156	10,557	32,000	33%	2,380	18,134
Equipment rental	-	-	3,000	0%	-	1,337
Special event concessions	-	1,294	-	0%	-	-
Bad debt	-	-	9,000	0%	-	4,500
Speedway- Concessions	-	-	-	0%	-	-
Speedway- Merchandise	-	-	-	0%	-	-
Speedway- Insurance	-	-	-	0%	(7,061)	(1,009)
Speedway - Prize money	-	(475)	-	0%	-	-
Speedway- Outside services/contract labor	-	-	-	0%	-	-
<b>Total Expo expenses</b>	<b>39,423</b>	<b>252,895</b>	<b>437,100</b>	<b>58%</b>	<b>8,649</b>	<b>212,778</b>
<b>Operating loss before direct G &amp; A and CRIA indirect expenses</b>	<b>(36,216)</b>	<b>(185,523)</b>	<b>(428,600)</b>	<b>43%</b>	<b>(8,009)</b>	<b>(199,809)</b>

**INDUSTRY HILLS EXPO CENTER  
SCHEDULE OF REVENUES AND EXPENSES  
FOR THE MONTHS AND YEARS TO DATE JANUARY 31, 2022 AND 2021**

<u>Expo Center Operations</u>	<u>MONTH ENDED</u> <u>1/31/2022</u>	<u>YEAR TO DATE</u> <u>1/31/2022</u>	<u>ANNUAL</u> <u>BUDGET</u> <u>2021-2022</u>	<u>% OF</u> <u>ANNUAL</u> <u>BUDGET</u>	<u>MONTH ENDED</u> <u>01/31/2021</u>	<u>YEAR TO DATE</u> <u>01/31/2021</u>
Direct general and administrative expenses						
Travel and meetings	-	-	-	0%	-	-
Dues, subscriptions, books, etc.	1,471	16,120	23,000	70%	1,471	9,900
Equipment rental/lease	795	6,106	14,000	44%	708	8,319
Employee training	-	-	-	0%	-	-
Furniture/fixtures & equipment	-	-	200	0%	146	146
Advertising/printing	-	-	3,000	0%	-	-
Telephone	1,163	8,381	16,000	52%	1,332	9,537
Postage	34	556	600	93%	-	44
Miscellaneous	606	4,460	700	637%	244	4,493
Professional services	25,821	164,485	215,000	77%	16,481	120,469
Repairs and equipment	6,830	7,363	3,400	217%	-	583
Vehicle expenses	-	14,166	14,000	101%	-	5,364
Insurance and bonds	1,085	7,590	14,000	54%	1,087	7,607
Supplies	2,170	12,844	30,000	43%	2,432	16,366
Contract labor/administrative wages	31,137	228,040	407,000	56%	24,728	219,821
Property maintenance	8,674	90,951	200,000	45%	18,734	115,969
Utilities	41	50,573	101,000	50%	4,413	60,237
Total direct general and administrative expenses	<u>79,827</u>	<u>611,635</u>	<u>1,041,900</u>	59%	<u>71,776</u>	<u>578,855</u>
 EXCESS OF EXPENDITURES OVER REVENUES	 <u>\$ (116,043)</u>	 <u>\$ (797,158)</u>	 <u>\$ (1,470,500)</u>	 54%	 <u>\$ (79,785)</u>	 <u>\$ (778,664)</u>

CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE JANUARY 31, 2022 AND 2021

REVENUES:	MONTH ENDED 1/31/2022	YEAR TO DATE 1/31/2022	ANNUAL BUDGET 2021-2022	% OF ANNUAL BUDGET
Other revenues	\$ 48	\$ 167	\$ 1,000	17%
<b>GENERAL AND ADMINISTRATIVE EXPENSES:</b>				
Salaries - board	2,127	17,725	34,100	52%
Payroll taxes	13	13	-	0%
Medicare/disability	31	257	500	51%
PARS - ARS	80	665	1,300	51%
Professional services	18,815	136,393	175,000	78%
Accounting	98	815	1,000	82%
Planning, Survey and Design	-	390	-	0%
Small equipment and supplies	639	983	-	0%
Vehicle expenses	520	2,111	3,000	70%
General engineering	8,105	40,614	60,000	68%
Printing/photography	-	-	1,000	0%
Security	42,978	257,078	455,000	57%
Property maintenance	23,339	173,534	404,000	43%
Insurance and bonds	-	41,884	26,000	161%
Office expenses	-	144	-	0%
Utilities	2,597	8,634	17,000	51%
Total general and administrative expenses	<u>99,342</u>	<u>681,240</u>	<u>1,177,900</u>	58%
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	<u>\$ (99,294)</u>	<u>\$ (681,073)</u>	<u>\$ (1,176,900)</u>	58%



*CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY*

ITEM NO. 6.3

Verbal Presentation – No Backup Material